

Santa Fe County
Investment Committee Meeting
August 26, 2009
Agenda

COMMITTEE MEMBERS:

Victor A. Montoya, Treasurer
Roman Abeyta, County Manager
Teresa Martinez, Finance Director

Mike Anaya, Commission Chair
Ted Apodaca, Asst. County Attorney
Lowell Gilbert, Private Sector

I. Call Meeting to Order:

1. Roll Call of Committee Members.
2. Approval of the July 16, 2009 Minutes
3. Approval of the August 26, 2009 Agenda.

II. Current Agenda Items:

1. Discussion of First Community Bank's intention to explore merger options; CEO Michael R. Stanford says "It is in our share holders best interest to consider various strategic alternatives".
2. Discussion and approval for a Custody Bank Request for Proposals (RFP).
3. Investment activity since last Committee meeting on July 16th: We purchased and settled on the following government agency (bond):
 - a. L.F. Rothschild LLC, Freddie Mac Bond-CUSIP #3133F4EL1 in the amount of \$200,009.72 settled August 21, 2009, with a rate of 1.75%.
 - b. L.F. Rothschild LLC, Freddie Mac Bond-CUSIP #3133F4BE0 in the amount of \$130,379.17 settled August 21, 2009, with a rate of 1.49%.
 - c. The distribution for July 2009 property tax collections was \$1,112,952.54 which will be made on August 20, 2009. The County's share for July is \$493,635.38. The maintenance report that shows we have collected \$125,118,861.57 as of July 31, 2009. The County Treasurer's Office property tax collection rate is 93.74% through July 31, 2009.
 - d. When comparing the year-to-date collection rate July 31, 2009 over July 31, 2008, we are down -.02%; but in dollars we \$10,936,790.47 ahead of last years collections.
- b. The next item is a copy of the County's investment portfolio as of August 25, 2009 which stands at approximately \$205,819,140.95 million. The portfolio on July 16th was

approximately \$237,003,932.49, a decrease of \$31,184,791.54. Since July 16th two bonds and six CD's matured or were called with a value of \$8,194,000.00.

III. Other Business:

1. State Treasurer Local Government Investment Pool (LGIP) Yields.

- a. July 2009 Current Yield __ 0.300
- b. June 2009 Current Yield __ 0.276
- c. May 2009 Current Yield __ 0.26%.
- d. April 2009 Current Yield __ 0.30%.
- e. March 2009 Current Yield __ 0.50%.
- f. February 2009 Current Yield __ 1.07%.

The Pool invests in short term periods of 50-60 days or less, brokers and money managers continue projecting fed funds rates to remain static between 0.0% and 0.25%. A year ago the fed funds rate was 1.85%.

2. The State Treasurer's Executive Summary of investment activity for the LGIP in June 2009 is included in this month's agenda. Highlights of the June report are as follows:

- a. The market value of the LGIP decreased 5.7% from \$921 million in June to \$869 million in July.
- b. The net yield at the LGIP for July was .29% minus 4.1 basis point administrative fee.
- c. **As reported in May, the STO suspended its loss amortization plan and created a Reserve Contingency Fund of its own.** In the month end statements the State Treasurer reduced the LGIP Reserve Contingency Fund by \$934,359.42. **The revised LGIP Reserve Contingency Fund is still at \$2.16 million of Santa Fe County's funds.**

As stated in the previous month, the LGIP divested itself of all money market funds and liquidity needs are now met by laddered Treasury bills and notes; commercial paper; CD's; corporate bonds and collateralized bank deposits.

A copy of the July 2009 STO report is attached with more detail for your information.

I have again included a chart from Morgan Keegan which provides an update on the inverted yield curve and where the maximum short term yields are on U.S. Treasuries as of August 25, 2009.

The next meeting is scheduled for September 17, 2009 at 2:00 PM, in the Legal Conference Room.

Please let me know if anyone has a conflict with this date?

5. Adjournment.

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SAFE & SOUND® STAR RATINGS™

Financial statement

FIRST COMMUNITY BANK

120 WEST PLAZA
TAOS, New Mexico 87571

STAR RATING: 1 ★

Predictive Indicator neutral
As of March 31, 2009

Federal Reserve System Identifier 236751

Financial summary (\$ in Thousands)

| | 2009 3 months | 2008 Year | 2007 Year |
|---|------------------|--------------|--------------|
| Total Assets | \$3,546,608 | \$3,440,854 | \$3,421,062 |
| Loans Receivable, Net | 2,184,237 | 2,658,842 | 2,489,291 |
| Mortgage-Backed Securities | 352,461 | 332,054 | 224,534 |
| Investments | 123,204 | 124,617 | 272,772 |
| Deposits | 2,727,557 | 2,524,515 | 2,580,876 |
| Borrowings | 562,661 | 609,870 | 416,270 |
| Equity | 233,675 | 283,711 | 399,442 |
| Net Interest Income | 27,269 | 129,328 | 138,742 |
| Fee Income | 6,389 | 24,931 | 23,524 |
| Overhead | 26,390 | 234,677 | 106,847 |
| Net Operating Income | -23,278 | -152,768 | 45,191 |
| Net Income | -23,278 | -120,265 | 29,265 |
| Ratio Analysis Profitability | % | % | % |
| Return on Assets | -2.68 | -3.47 | 0.90 |
| Operating Return on Assets | -2.68 | -4.41 | 1.40 |
| Return on Equity | -34.32 | -36.23 | 7.92 |
| Net Interest Margin | 3.56 | 4.16 | 4.93 |
| Fee Income / Assets | 0.73 | 0.72 | 0.73 |
| Overhead / Assets | 3.03 | 6.78 | 3.30 |
| Asset Quality | % | % | % |
| Nonperforming Assets / Assets | 4.93 | 3.81 | 1.14 |
| Nonperforming Assets / Equity & Loss Reserves | 53.96 | 36.14 | 9.03 |

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| 6 Mo CD | 1.30% | | 1.33% |
| 1 Yr CD | 1.75% | | 1.82% |
| 5 Yr CD | 2.87% | | 2.81% |
| 1 Yr Jumbo CD | 1.63% | | 1.66% |

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First State To Explore Merger Options

N.M. Company's Stock Has Taken Beating in Downturn

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By WINTHROP QUIGLEY
Journal Staff Writer

First State Bancorporation, known for poking fun at multiple takeovers and mergers of its competition, has retained a financial adviser to improve its value to shareholders and will consider what the company called "a business combination with a strategic partner."

Chief Executive Officer Michael R. Stanford, in a news release, said First State, which operates First Community Bank in New Mexico and Arizona, believes "it is in our shareholders' best interest to consider various strategic alternatives."

New York-based Keefe, Bruyette & Woods will review "strategic alternatives to enhance shareholder value," according to the bank. First State said it would not comment further on KBW's activities until a specific transaction is approved by the company's directors or other



ROBERTO E. ROSALES/JOURNAL

First State Bancorporation has hired a financial adviser while it considers merger options, as its stock has taken a beating.

"significant developments" occur.

It also said there is no guarantee First State will pursue "any particular transaction or strategy," or that efforts to improve shareholder value will be successful.

KBW specializes in advising financial insti-

See FIRST on PAGE A2

First State Explores Merger Options

from PAGE A1

tutions, evaluating financial stocks and arranging deals involving financial institutions.

KBW arranged the sale of North Fork Bancorporation of New York to Capital One Financial Corp., the acquisition by Bank of America Corp. of MBNA Corp., the sale of Household International to HSBC, as well as other transactions, according to filings with the U.S. Securities and Exchange Commission.

First State shares finished the day's trading Wednesday at \$1.12. The company's stock sold for as much as \$27.47 in 2006 and \$14.98 last year.

First State remains solvent and what regulators call "well-capitalized" — the highest security ranking regulators bestow. However, the company has reported several quarters of losses because of troubled loans First State made to residential real estate developers.

First State reported it lost \$153.6 million in 2008 and \$30.6 million in the first six months of 2009. A big chunk of the 2008 loss — \$127 million — occurred when the company wrote off the goodwill it accrued when it purchased other banks. Goodwill is the difference between the value of an asset and what a purchaser paid for the asset.

Based in New Mexico, First State was founded in 1988 and quickly became known for its feisty attitude and humorous advertising. Its billboards once teased rivals for repeated name changes as big out-of-state banks gobbled up one New Mexico bank after another.

When First State bought banks in Colorado and began doing business as First Community Bank, the bank-holding company poked fun at itself, declaring on its billboards that hell had frozen over.

The Colorado operation became a major source of First State's problems. Many of the loans that ultimately turned

State acquired them.
First State sold its Colorado
business this summer.



FIRST STATE BANCORPORATION

H. Patrick Dee
Chief Operating Officer
(505) 241-7102

Michael R. Stanford
President & CEO
(505) 241-7155

NEWS RELEASE

FIRST STATE ANNOUNCES RETENTION OF KEEFE, BRUYETTE & WOODS AS FINANCIAL ADVISOR

Albuquerque, N.M. – August 5, 2009 – First State Bancorporation (“First State”) (NASDAQ:FSNM) announced today the retention of Keefe, Bruyette & Woods (“KBW”) as a financial advisor to the Corporation for the review of strategic alternatives to enhance shareholder value, including the possibility of entering into a business combination with a strategic partner. First State further stated that there can be no assurance that the review of strategic alternatives will result in First State pursuing any particular transaction or strategy, or if it pursues any such transaction or strategy, that it will be completed. First State does not expect to make further public comment regarding the review until the Board of Directors has approved a specific transaction or otherwise deems disclosure of significant developments is appropriate.

“Although our bank is well capitalized and has \$79 million in our allowance for loan losses that is not included in our capital calculation, we believe it is in our shareholders’ best interest to consider various strategic alternatives,” stated Michael R. Stanford, President and Chief Executive Officer. “KBW’s expertise and counsel will be extremely valuable in our analysis and assessment of these alternatives for our company. KBW has worked closely with our company since 1997, are very familiar with our operations and are extremely well qualified to assist us in this process,” continued Stanford.

First State Bancorporation is a New Mexico based commercial bank holding company (NASDAQ:FSNM). First State provides services, through its subsidiary First Community Bank, to customers from a total of 40 branches located in New Mexico and Arizona. On Wednesday, August 5, 2009, First State’s stock closed at \$1.27per share. 8-25-09

Certain statements in this news release are forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”). These statements are based on management’s current expectations or predictions of future results or events. We make these forward-looking statements in reliance on the safe harbor provisions provided under the Private Securities Litigation Reform Act of 1995.

All statements, other than statements of historical fact, included in this news release which relate to performance, development or activities that we expect or anticipate will or may happen in the future, are forward looking statements. The discussions regarding our growth strategy, expansion of operations in our markets, acquisitions, dispositions, competition, loan and deposit growth, timing of new branch openings, capital expectations, and response to consolidation in the banking industry include forward-looking statements. Other forward-looking statements may be identified by the use of forward-looking words such as "believe," "expect," "may," "might," "will," "should," "seek," "could," "approximately," "intend," "plan," "estimate," or "anticipate" or the negative of those words or other similar expressions.

Forward-looking statements involve inherent risks and uncertainties and are based on numerous assumptions. They are not guarantees of future performance. A number of important factors could cause actual results to differ materially from those in the forward-looking statement. Some factors include changes in interest rates, local business conditions, government regulations, loss of key personnel or inability to hire suitable personnel, faster or slower than anticipated growth, economic conditions, our competitors' responses to our marketing strategy or new competitive conditions, and competition in the geographic and business areas in which we conduct our operations. Forward-looking statements contained herein are made only as of the date made, and we do not undertake any obligation to update them to reflect events or circumstances after the date of this report to reflect the occurrence of unanticipated events.

Because forward-looking statements involve risks and uncertainties, we caution that there are important factors, in addition to those listed above, that may cause actual results to differ materially from those contained in the forward-looking statements. These factors are included in our Form 10-K for the period ended December 31, 2008, as filed with the Securities and Exchange Commission.

First State's news releases and filings with the Securities and Exchange Commission are available through the Investor Relations section of First State's website at www.fcblm.com.

SANTA FE COUNTY TREASURER'S PORTFOLIO REPORT

CERTIFICATES OF DEPOSIT

| Security Description | Renewal Date | Invested Amount | Effective Annual Interest Rate | Term | Maturity Date | Interest Check to be Paid |
|---|--------------|------------------|--------------------------------|----------|---------------|---------------------------|
| Guadalupe Credit Union - CD, #11034009 | 1/1/2009 | \$ 250,000.00 | 4.06% | 12mo. | 1/1/2010 | Monthly |
| Advanta Bank Corp. - Acct. #3501028306 | 10/29/2008 | \$ 99,000.00 | 4.25% | 1 yr | 10/29/2009 | Monthly |
| First Community Bank - CD, #4650468967 | 11/17/2008 | \$ 20,000,000.00 | 3.15% | 13 mo. | 12/7/2009 | Monthly |
| MarqBank - Acct #000000108090 (renewal of #105343 above) | 5/1/2009 | \$ 99,000.00 | 2.20% | 12 mo. | 5/1/2010 | Monthly |
| Alliance Bank - thru Multi Bank Securities, Inc. Cusip #01853QBU1 | 11/28/2008 | \$ 240,000.00 | 3.65% | 1 yr | 11/25/2009 | Maturity |
| First National Bank of Santa Fe - CD #103368481 | 12/1/2008 | \$ 5,000,000.00 | 2.70% | 1yr. | 12/1/2009 | Monthly |
| Community Bank CD# 701477-Santa Fe | 4/2/2009 | \$ 250,000.00 | 2.67% | 7Months | 11/2/2009 | Monthly |
| Ironstone Bank CD# 009471010396-Santa Fe | 4/3/2009 | \$ 250,000.00 | 1.75% | 272 Days | 12/31/2009 | Monthly |

Sub Total Miscellaneous Certificates of Deposit

\$ 26,188,000.00

BROKED CERTIFICATES OF DEPOSIT

| | | | | | | |
|--|------------|---------------|-------|-----------|------------|-------------|
| Wells Fargo - CD, Wachovia Bk FSB Houston Tx Cusip #92979HBGO | 4/9/2008 | \$ 97,000.00 | 4.25% | 5 yrs. | 4/9/2013 | Semi-Annual |
| Wells Fargo - CD, Investors Cmnty Bk Manitowa WI. Cusip #46147UHW3 | 4/9/2008 | \$ 100,000.00 | 3.50% | 2 yrs. | 4/9/2010 | Monthly |
| Wells Fargo - CD, Riverside NB FL Ft. Pierce, FI Cusip #769174DA8 | 4/11/2008 | \$ 97,000.00 | 3.50% | 2 yrs. | 4/12/2010 | Semi-Annual |
| Wells Fargo - CD, Delta Tr. & Bk Parkdale, AZ Cusip #247816AP6 | 4/11/2008 | \$ 100,000.00 | 3.55% | 2 yrs. | 4/9/2010 | Monthly |
| Wells Fargo - CD, Firstbank of Puerto Rico Cusip #337629RD3 | 4/11/2008 | \$ 100,000.00 | 3.65% | 30 mo. | 10/12/2010 | Monthly |
| Wells Fargo - CD, Amcore Bk Rockford, IL Cusip #02341VTJ4 | 4/11/2011 | \$ 97,000.00 | 3.80% | 3 yrs. | 4/11/2011 | Monthly |
| Wells Fargo - CD, Choice Financial Group, Cusip #17037TDA2 | 4/16/2008 | \$ 97,000.00 | 4.00% | 4 yrs. | 4/16/2012 | Semi-Annual |
| Wells Fargo - CD Southern CmntyFayettev, GA Cusip #84262RAX5 | 4/16/2008 | \$ 100,000.00 | 3.60% | 30 mo. | 10/15/2010 | Monthly |
| Wells Fargo - CD M & I Bank FSB Las Vegas, NV Cusip #553036GG3 | 4/18/2008 | \$ 100,000.00 | 5.20% | 10.5 Yrs. | 10/18/2018 | Monthly |
| Wells Fargo - CD M & I Marshall & Ilsley Bk Milwa. WI Cusip # 55405PGL7 | 4/18/2008 | \$ 100,000.00 | 5.20% | 10.5 Yrs. | 10/18/2018 | Monthly |
| Wells Fargo-CD Home Federal Savings Bk MN Cusip# 43708WGY4 | 9/10/2008 | \$ 96,000.00 | 3.50% | 1yr. | 9/10/2009 | Maturity |
| Wells Fargo-CD Cit Bk Salt Lake City Utah Cusip # 17284PH81 | 9/10/2008 | \$ 96,000.00 | 3.55% | 1yr. | 9/10/2009 | Maturity |
| Wells Fargo-CD Capital One Bk(USA)Natl Assn. Cusip# 140420DJ6 | 9/10/2008 | \$ 96,000.00 | 3.45% | 1yr. | 9/10/2009 | Maturity |
| Wells Fargo-CD NCB Savings Bank FSB Cusip#628825EB3 | 9/11/2008 | \$ 96,000.00 | 3.50% | 1yr. | 9/11/2009 | Maturity |
| Wells Fargo-CD Bank Fayetteville N A Ark Cusip# 06209PAV2 | 9/12/2008 | \$ 100,000.00 | 3.65% | 15mo. | 12/14/2009 | Monthly |
| Wells Fargo-CD Farmers & Merchants Statesboro GA Cusip#30837NCU7 | 9/17/2008 | \$ 100,000.00 | 3.65% | 15mo. | 12/17/2009 | Monthly |
| Called Wells Fargo-CD Community Bank of Nevada Las Vegas Cusip#20357ABK9 | 10/17/2008 | \$ 100,000.00 | 3.60% | 1yr. | 10/16/2009 | Monthly |
| Wells Fargo-CD Capital One Natl Assn Mclean VA Cusip #14042EN22 | 10/22/2008 | \$ 94,000.00 | 4.00% | 18mo. | 4/22/2010 | Semi-Annual |
| Wells Fargo-CD Comerica Bk Dallas Tx Cusip #200339DA4 | 10/22/2008 | \$ 94,000.00 | 4.05% | 18mo. | 4/22/2010 | Semi-Annual |
| Wells Fargo-CD Royal Bank America Narberth PA Cusip#780095CW3 | 10/22/2008 | \$ 100,000.00 | 3.70% | 1yr. | 10/22/2009 | Maturity |
| Wells Fargo-CD Branch Banking & Trust CO WIN SAL. Cusip #105133DC3 | 10/22/2008 | \$ 97,000.00 | 3.65% | 1yr. | 10/22/2009 | Maturity |
| Wells Fargo-CD Goldman Sachs Bk USA Salt UT Cusip #381426QM0 | 10/22/2008 | \$ 240,000.00 | 3.65% | 1yr. | 10/22/2009 | Maturity |
| Called Wells Fargo-CD Colonial Bk N A Montgomery ALA Cusip #19554PP9 | 10/24/2008 | \$ 94,000.00 | 4.05% | 18mo. | 4/26/2010 | Semi-Annual |
| Wells Fargo-CD Commercial Bank Thomasvil GA Cusip # 201507BC3 | 10/29/2008 | \$ 240,000.00 | 3.65% | 1yr. | 10/29/2009 | Maturity |

Wells Fargo Brokered Certificates of Deposit

\$ 2,631,000.00



SANTA FE COUNTY TREASURER'S PORTFOLIO REPORT

CD & SAVINGS ACCOUNTS AT LOS ALAMOS NATIONAL BANK

| | | | | | | | | |
|------|---|------------|----|---------------|-------|---------|------------|---------|
| Mat. | Los Alamos National Bank-Acct #0030489162 | 8/6/2007 | \$ | 1,013,672.79 | 5.40% | 24 mo. | 8/6/2009 | Monthly |
| Mat. | Los Alamos National Bank-Acct #0030489172 | 8/5/2008 | \$ | 1,008,087.45 | 3.20% | 12 mo. | 8/5/2009 | Monthly |
| Mat. | Los Alamos National Bank-Acct #0030489133 | 8/5/2005 | \$ | 1,012,401.60 | 4.90% | 48 mo. | 8/5/2009 | Monthly |
| | Los Alamos National Bank-Acct #0030489134 | 8/5/2005 | \$ | 2,027,345.59 | 5.40% | 60 mo. | 8/5/2010 | Monthly |
| | Los Alamos National Bank-Acct #0030489173 | 8/6/2008 | \$ | 100,973.56 | 3.85% | 36 mo. | 8/6/2011 | Monthly |
| | Los Alamos National Bank-Acct #0030489179 | 11/1/2008 | \$ | 3,025,022.66 | 3.30% | 12 mo. | 11/1/2009 | Monthly |
| | Los Alamos National Bank-Acct #0030489178 | 11/1/2008 | \$ | 2,016,681.78 | 3.30% | 12 mo. | 11/1/2009 | Monthly |
| Mat. | Los Alamos National Bank-Acct #0030489171 | 8/1/2008 | \$ | 1,008,087.46 | 3.20% | 12 mo. | 8/1/2009 | Monthly |
| | Los Alamos National Bank-Acct #0030489168 | 7/27/2008 | \$ | 1,008,847.88 | 3.50% | 24 mo. | 7/27/2010 | Monthly |
| | Los Alamos National Bank-Acct #0030489169 | 7/31/2008 | \$ | 1,008,467.62 | 3.35% | 18 mo. | 1/31/2010 | Monthly |
| | Los Alamos National Bank-Acct #0030489180 | 11/30/2008 | \$ | 1,006,947.53 | 2.75% | 12 mo. | 11/30/2009 | Monthly |
| | Los Alamos National Bank-Acct #0030489183 | 4/26/2009 | \$ | 5,025,247.85 | 2.00% | 12 mo. | 4/26/2010 | Monthly |
| | Los Alamos National Bank-Acct #0030489170 | 7/31/2008 | \$ | 1,008,467.62 | 3.35% | 18 mo. | 1/31/2010 | Monthly |
| | Los Alamos National Bank-Acct #0030489174-GRT Judicial Rev. Bond | 10/31/2008 | \$ | 5,055,366.88 | 3.30% | 17 mo. | 3/31/2010 | Monthly |
| | Los Alamos National Bank-Acct #0030489175-GRT Judicial Rev. Bond | 10/31/2008 | \$ | 5,055,366.88 | 3.30% | 20 mo. | 6/30/2010 | Monthly |
| | Los Alamos National Bank-Acct #0030489176-GRT Judicial Rev. Bond | 10/31/2008 | \$ | 5,055,366.88 | 3.30% | 23 mo. | 9/30/2010 | Monthly |
| | Los Alamos National Bank-Acct #0030489177-GRT Judicial Rev. Bond | 10/31/2008 | \$ | 5,061,284.53 | 3.65% | 26 mo. | 12/31/2010 | Monthly |
| | Los Alamos National Bank-Acct #0030489181 | 12/31/2008 | \$ | 5,041,704.44 | 3.30% | 30 mo. | 6/30/2011 | Monthly |
| | Los Alamos National Bank-Acct #0030489182-Buckman GO Bond | 3/3/2009 | \$ | 10,087,160.19 | 2.60% | 180days | 8/30/2009 | Monthly |
| | Los Alamos National Bank-Acct #0111883820 Universal Savings Acct. Pool Cash | 5/4/2009 | \$ | 11,697,432.01 | 1.00% | N/A | N/A | N/A |
| | Los Alamos National Bank-Acct#0111883830- Pool Cash Acct. | 5/4/2009 | \$ | 11,053,772.67 | 2.00% | 12 mo. | 5/4/2010 | Monthly |
| | Los Alamos National Bank-Acct #0111883831-Fire Protection Revenue Bond | 5/4/2009 | \$ | 80,332.29 | 1.70% | 4 mo. | 9/4/2009 | Monthly |
| | Los Alamos National Bank-Acct #0111883832-Road Projects Account | 5/4/2009 | \$ | 1,240,129.83 | 1.70% | 4 mo. | 9/4/2009 | Monthly |
| | Los Alamos National Bank-Acct #0111883833-Facility Bond 1997 Proceeds | 5/4/2009 | \$ | 514,126.70 | 1.70% | 4 mo. | 9/4/2009 | Monthly |
| | Los Alamos National Bank-Acct #0111883834-GOB Series 2001 A | 5/4/2009 | \$ | 3,300,653.25 | 1.70% | 4 mo. | 9/4/2009 | Monthly |
| | Los Alamos National Bank-Acct #0111883835-GOB Open Space | 5/4/2009 | \$ | 943,904.48 | 1.70% | 4 mo. | 9/4/2009 | Monthly |
| | Los Alamos National Bank-Acct #0111883836-GOB Series 2005 A | 5/4/2009 | \$ | 1,647,816.24 | 1.70% | 4 mo. | 9/4/2009 | Monthly |
| | Los Alamos National Bank-Acct #0111883837-GOB Series 2007 A | 5/4/2009 | \$ | 19,139,169.74 | 1.70% | 4 mo. | 9/4/2009 | Monthly |
| | Los Alamos National Bank-Acct #0111883838-GOB Series 2007 B | 5/4/2009 | \$ | 337,395.64 | 1.70% | 4 mo. | 9/4/2009 | Monthly |
| | Los Alamos National Bank-Acct #0111883839-SF Affordable Housing Fund | 5/4/2009 | \$ | 1,466,421.92 | 1.80% | 6 mo. | 10/31/2009 | Monthly |
| | Los Alamos National Bank-Acct #0111883840-GRT 2008 Judicial Rev. Bond | 5/4/2009 | \$ | 2,700,169.33 | 1.70% | 4 mo. | 9/4/2009 | Monthly |
| | Los Alamos National Bank-Acct #0111883841- Phase II 2008 GOB Buckman | 5/4/2009 | \$ | 74,361.74 | 2.00% | 12 mo. | 5/4/2010 | Monthly |

LANB Certificates of Deposit

\$ 109,822,167.03

Total Certificates of Deposit

\$ 138,641,167.03

SANTA FE COUNTY TREASURER'S PORTFOLIO REPORT

INVESTMENT IN GOVERNMENT AGENCIES (BONDS)

MORGAN-KEEGAN

| | | | | | | | |
|--|------------|----|--------------|-------|---------|------------|-------------|
| Federal Home Loan Bank-Cusip #3133XSK31 | 10/29/2008 | \$ | 2,000,000.00 | 3.17% | 1Year | 10/29/2009 | Semi-Annual |
| Called Federal Home Loan Bank-Cusip #3133XSK23 | 10/29/2008 | \$ | 2,000,000.00 | 3.10% | 9Months | 7/29/2009 | Annually |

LF ROTHSCCHILD LLC

| | | | | | | | |
|--|------------|----|--------------|-------|------------|------------|-------------|
| Federal Home Loan Bank-Cusip#3133XPAM6 | 1/8/2009 | \$ | 1,404,000.00 | 5.45% | 15Years | 2/8/2023 | Semi-Annual |
| Federal Farm Credit Bank-Cusip #31331GHXO | 12/24/2008 | \$ | 5,000,000.00 | 3.00% | 5Years | 12/24/2013 | Semi-Annual |
| Federal Farm Credit Bank-Cusip #31331GHY8 | 12/29/2008 | \$ | 5,000,000.00 | 3.87% | 7Years | 12/29/2015 | Semi-Annual |
| Federal Home Loan Bank-Cusip #3133XSZF8 | 2/19/2009 | \$ | 2,000,000.00 | 4.10% | 7Years | 2/19/2016 | Semi-Annual |
| Federal Farm Credit Bank-Cusip #31331GUN7 | 5/5/2009 | \$ | 3,000,000.00 | 3.60% | 7Years | 5/5/2015 | Semi-Annual |
| Called Fannie Mae Credit Bank-Cusip #3136FHPR0 | 5/14/2009 | \$ | 1,998,500.00 | 2.02% | 3Years | 5/14/2012 | Semi-Annual |
| Freddie Mac Bond -Cusip #3128X88ZN5 | 5/19/2009 | \$ | 2,000,000.00 | 2.00% | 5Years | 5/19/2014 | Semi-Annual |
| Federal Home Loan Bank -Cusip #3133XTWAO | 6/30/2009 | \$ | 1,998,000.00 | 2.05% | 5Years | 6/30/2014 | Semi-Annual |
| Freddie Mac Bond -Cusip #3133F4EL1 (DTC Safekeeping) | 8/21/2009 | \$ | 200,009.72 | 1.75% | 3Years | 8/15/2010 | Annually |
| New Freddie Mac Bond-Cusip#3133F4BEO (DTC Safekeeping) | 8/21/2009 | \$ | 130,379.17 | 1.49% | 3Yrs 4 mo. | 12/15/2012 | Annually |

MUTUAL SECURITIES, INC.

| | | | | | | | |
|--|------------|----|--------------|-------|----------|------------|-------------|
| Federal Farm Credit Bank-Cusip #31331X7J5 | 10/15/2007 | \$ | 1,000,000.00 | 5.05% | 5Years | 10/15/2012 | Semi-Annual |
| Fannie Mae Bond-Cusip # 31355A1CD7 (DTC Safekeeping) | 1/25/2008 | \$ | 1,990,000.00 | 4.50% | 12Years | 1/23/2020 | Semi-Annual |
| Fannie Mae Bond-Cusip #31398ARC8 | 11/19/2008 | \$ | 1,994,975.56 | 4.12% | 4.5Years | 5/6/2013 | Semi-Annual |
| Federal Home Loan Bank-Cusip #3133XSSK5 | 1/9/2009 | \$ | 3,000,000.00 | 3.40% | 6Years | 1/9/2015 | Semi-Annual |
| Federal Home Loan Bank-Cusip #3133XSXG8 | 2/17/2009 | \$ | 2,487,500.00 | 3.75% | 7Years | 2/17/2016 | Semi-Annual |
| Fannie Mae Bond-Cusip #3136FHJM8 | 4/21/2009 | \$ | 1,000,000.00 | 2.25% | 7Years | 4/21/2016 | Semi-Annual |
| Federal Farm Credit Bank-Cusip #31331GTY5 | 4/22/2009 | \$ | 1,500,000.00 | 3.40% | 7Years | 4/22/2016 | Semi-Annual |
| Freddie Mac Bond-Cusip #3128X8VF6 | 4/28/2009 | \$ | 1,000,000.00 | 3.00% | 5Years | 4/28/2014 | Semi-Annual |
| Federal Farm Credit Bank-Cusip #31331GWY1 | 6/1/2009 | \$ | 1,991,027.78 | 3.70% | 7 Years | 5/26/2016 | Semi-Annual |
| New Freddie Mac Bond-Cusip #3128X84RO | 7/29/2009 | \$ | 2,000,000.00 | 3.00% | 5 Years | 7/29/2014 | Semi-Annual |

Total Government Agencies (Bonds) \$ 44,694,392.23



SANTA FE COUNTY TREASURER'S PORTFOLIO REPORT

| LOCAL GOVERNMENT INVESTMENT POOL | | CURRENT LGIP BALANCES | POOL CONT. RESERVE FUND | |
|---|-----------|--------------------------|-------------------------------|---------|
| Balance | | | | |
| Santa Fe County Treasurer-Account #7081-1326 Pool Cash | 7/31/2009 | \$ 982,018.19 | \$469,746.54 | Monthly |
| Santa Fe County Treasurer-Account #7574-2902 Fire Protect Rev. Bond | 7/31/2009 | \$ 3,942.92 | \$2,037.61 | Monthly |
| Santa Fe County Treasurer-Account #7579-2971 | 7/31/2009 | \$ 60,410.00 | \$31,444.57 | Monthly |
| Santa Fe County Treasurer-Account #7580-2972 | 7/31/2009 | \$ 24,861.49 | \$13,031.68 | Monthly |
| Santa Fe County Treasurer-Account #7724-4186 SFC 2001A GOB | 7/31/2009 | \$ 159,015.86 | \$83,648.02 | Monthly |
| Santa Fe County Treasurer-Account #7765-5257 | 7/31/2009 | \$ 61,034.78 | \$31,965.48 | Monthly |
| Santa Fe County Treasurer-Account #7813-9104 SFC 2005A GOB | 7/31/2009 | \$ 213,802.11 | \$113,390.64 | Monthly |
| Santa Fe County Treasurer-Account #7832-10580 SFC 2007A GOB | 7/31/2009 | \$ 1,029,748.72 | \$542,861.83 | Monthly |
| Santa Fe County Treasurer-Account #7864-11172 SFC 2007B GOB | 7/31/2009 | \$ 137,336.09 | \$108,306.48 | Monthly |
| Santa Fe County Treasurer-Account #7885-11608 SFC Affordable Housing Fund | 7/31/2009 | \$ 70,813.97 | \$37,158.73 | Monthly |
| Santa Fe County Treasurer-Account #7904-12031 2008 GRT Judicial Rev. Bond | 7/31/2009 | \$ 2,951,158.94 | \$726,083.39 | Monthly |
| Santa Fe County Treasurer-Account#7908-12101Phase II GOB Buckman Proj. | 7/31/2009 | \$ 676,744.65 | \$0.00 | Monthly |

NOTE

| | | | | |
|--|-----------------|----------------|--------|--------|
| Total LGIP Investments as of July 31, 2009 | \$ 6,370,887.72 | \$2,159,674.97 | \$0.00 | \$0.00 |
|--|-----------------|----------------|--------|--------|

Deduct Called Bonds & Matured CD's

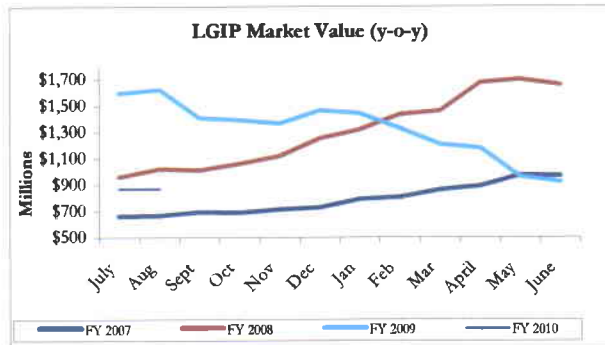
| | |
|---|-------------------|
| Grand Total All Investments as of July 31, 2009 | \$ 181,512,446.98 |
| First Community Bank Cash Balance | \$ 24,306,693.97 |
| Grand Total All Investments & Cash Balance July 16, 2009 | \$ 205,819,140.95 |



NEW MEXICO STATE TREASURER'S EXECUTIVE SUMMARY OF INVESTMENT ACTIVITY

As of July 31, 2009

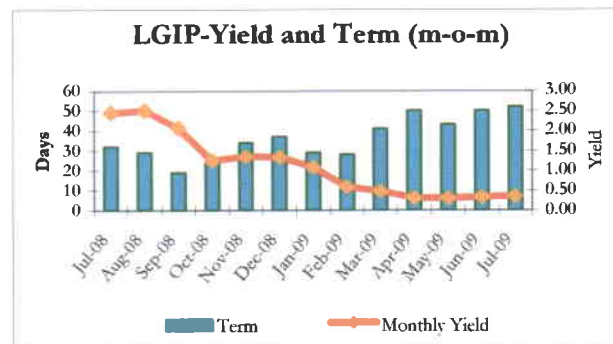
NEW MEXIGROW LOCAL GOVERNMENT INVESTMENT POOL (LGIP)



- The July 31 market value of the LGIP portfolio was \$869 million, compared to a market value of \$1.6 billion at the same period last year and \$961 million at the same period two years ago.



- During the month the market value of the portfolio decreased 5.7%, from \$921 million at June month end to \$869 million. Participant contributions for July totaled \$47 million and withdrawals totaled \$98 million.



- The gross yield was .35% at July 31, a 7.8% increase from June month-end of .33%. The weighted average maturity at July 31 was 52 days, up from the June 30 weighted average maturity of 50 days and within the rule 2a-7 requirement of 60 days or less.

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
RESEARCH REPORT NO. 1000

BY J. H. GOLDSTEIN AND R. L. SEXTON

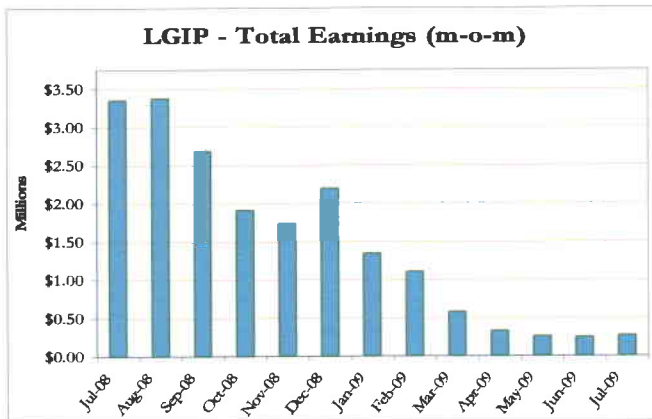
RECEIVED BY THE LIBRARY OF THE UNIVERSITY OF CHICAGO
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LIBRARY OF THE UNIVERSITY OF CHICAGO
JAN 10 1964

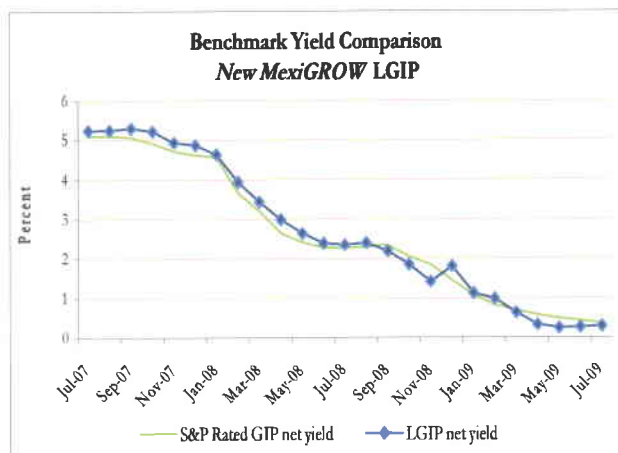
1000

| Local Government Investment Pool | | | | | |
|----------------------------------|-------|----------------|----------------|-------------|--|
| Asset Type | Yield | Market Value | % of Portfolio | Term (Days) | |
| LGIP Bank Account | 0.15% | \$ 30,764,492 | 3.54% | 2 | |
| Commercial Paper-Dsc B | 0.36% | \$ 39,967,722 | 4.60% | 65 | |
| Commercial Paper-TLGP | 1.03% | \$ 49,705,417 | 5.72% | 47 | |
| Certificates of Deposit | 1.87% | \$ 40,000,000 | 4.60% | 144 | |
| US Treasury Bills | 0.16% | \$ 139,995,350 | 16.12% | 12 | |
| US Treasury Notes | 0.21% | \$ 553,072,000 | 63.67% | 58 | |
| Corporate Bonds | 1.50% | \$ 15,122,100 | 1.74% | 42 | |
| Total: | 0.35% | \$ 868,627,081 | 100% | 50 | |

- July purchases in the LGIP portfolio totaled \$265 million. Purchases include government guaranteed asset-backed commercial paper and Treasury securities.
- Sales during the month totaled \$35 million, which included U.S. Treasury Bill.



- LGIP earnings for July totaled \$263 thousand, a 7% increase from June earnings of \$245 thousand. Fiscal year-to-date earnings total \$263 thousand.



- The 30-day net yield of the LGIP as of July 24 was 0.29%, underperforming the 30-day net S&P Rated Government Investment Pool (GIP) index 0.36 by .07 basis points. The 30-day gross yield of the LGIP at July 24, was 0.34%, underperforming the 30-day gross S&P Rated GIP index of 0.55%.
- The administrative fee assessed for July was 4.1 basis points. Year-to-date fees collected total \$32,000.18.



NEW MEXICO STATE TREASURER'S OFFICE
LGIP FUND (4101)

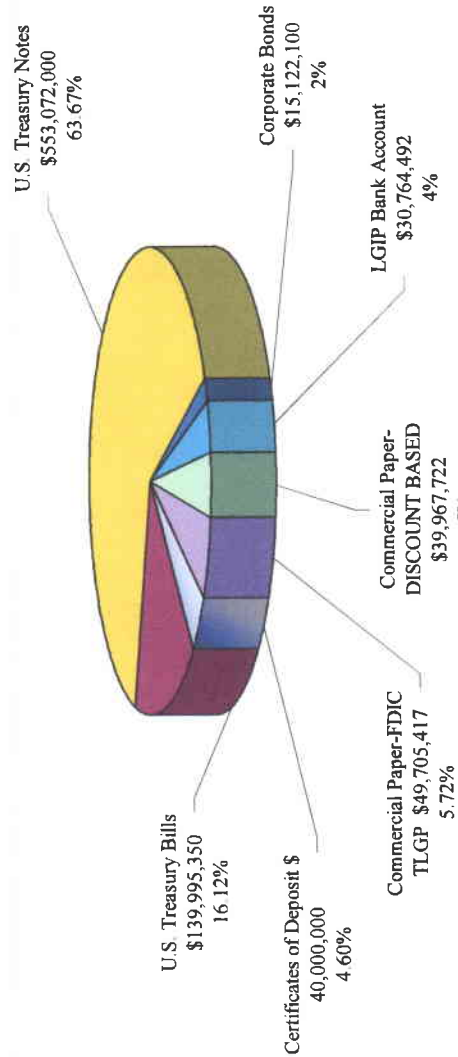
PORTFOLIO CLASSIFICATION SUMMARY

INVESTMENTS OUTSTANDING AS OF 7/31/09

- Yield shown is avg 365-day-basis equivalent weight by cost-basis
- Avg-Term is par-weighted term-to-maturity or MBS-Avg-Life in Years.
- Cost-Basis is US\$ Book Value

| ASSET CLASSIFICATION | ITEMS | YIELD | AVG-TERM | PRINCIPAL | COST-BASIS | MARKET-VALUE | GAIN (LOSS) | %MARKET |
|----------------------------------|-------|--------|----------|-------------|-------------|--------------|-------------|---------|
| LGIP BANK ACCOUNT | 1 | .1450 | .00820 | 30,764,492 | 30,764,492 | 30,764,492 | 0 | 3.54% |
| COMMERCIAL PAPER- DISCOUNT BASED | 1 | .3551 | .18080 | 40,000,000 | 39,967,722 | 39,967,722 | 0 | 4.60% |
| COMMERCIAL PAPER- TLGP DISCOUNT | 1 | 1.0301 | .12880 | 50,000,000 | 49,705,417 | 49,705,417 | 0 | 5.72% |
| CERTIFICATES OF DEPOSITS | 2 | 1.8650 | .39585 | 40,000,000 | 40,000,000 | 40,000,000 | 0 | 4.60% |
| TREASURY BILLS | 3 | .1602 | .03423 | 140,000,000 | 139,995,350 | 139,995,350 | 24,799 | 16.12% |
| TREASURY NOTES | 7 | .2083 | .15989 | 550,000,000 | 556,534,720 | 553,072,000 | (3,462,720) | 63.67% |
| CORPORATE BONDS | 1 | 1.4905 | .11780 | 15,000,000 | 15,742,950 | 15,122,100 | (620,850) | 1.74% |
| | 16 | .3510 | .14352 | 865,764,492 | 872,685,852 | 868,627,081 | (4,058,771) | 100.00% |
| Days | | | | 52 | | | | |

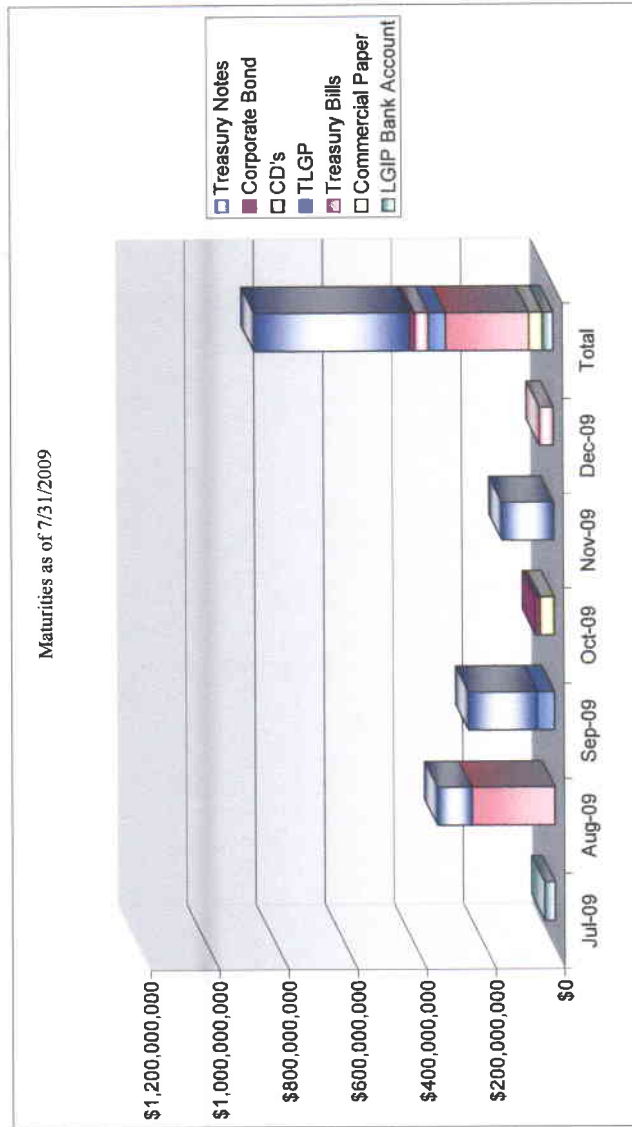
LGIP PORTFOLIO - \$868,627,081
JULY 31, 2009





New Mexico State Treasurer
 New MexiGrow LGIP
 Maturity Schedule
 7/31/2009

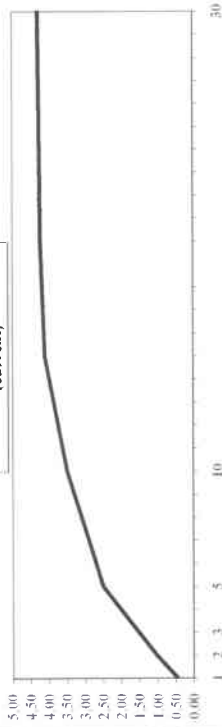
| | Jul-09 | Aug-09 | Sep-09 | Oct-09 | Nov-09 | Dec-09 | Total |
|-------------------|------------------|-------------------|-------------------|------------------|-------------------|------------------|-------------------|
| LGIP Bank Account | 30,764,492 | | | | | | \$ 30,764,492 |
| Commercial Paper | | | | 40,000,000 | | | \$ 40,000,000 |
| Treasury Bills | | 240,000,000 | | | | | \$ 240,000,000 |
| Treasury Notes | | 100,000,000 | 200,000,000 | | 150,000,000 | | \$ 450,000,000 |
| TLGP | | | 50,000,000 | | | | \$ 50,000,000 |
| CD's | | | | | | 40,000,000 | \$ 40,000,000 |
| Corporate Bond | | | | 15,000,000 | | | \$ 15,000,000 |
| Total | \$ 30,764,492.00 | \$ 340,000,000.00 | \$ 250,000,000.00 | \$ 55,000,000.00 | \$ 150,000,000.00 | \$ 40,000,000.00 | \$ 665,764,492.00 |





| TREASURY YIELD CURVE ¹ | | | | | |
|-----------------------------------|---------|-------|-------|------|-------|
| TERM | CURRENT | PREV. | CLOSE | WEEK | MONTH |
| 3 MO. | 0.16 | 0.15 | 0.18 | AGO | AGO |
| 6 MO. | 0.26 | 0.24 | 0.26 | 0.26 | 1.93 |
| 2 YR | 1.03 | 1.02 | 1.02 | 1.03 | 2.33 |
| 5 YR | 2.50 | 2.48 | 2.46 | 2.59 | 3.04 |
| 7 YR | 3.15 | 3.12 | 3.12 | 3.30 | 0.00 |
| 10 YR | 3.50 | 3.48 | 3.51 | 3.72 | 3.78 |
| 30 YR | 4.29 | 4.27 | 4.35 | 4.63 | 4.39 |

TREASURY YIELD CURVE (current)



| MARKET INDICES | | | MONEY MARKETS | | |
|----------------|----------|--------|---------------|------|-------|
| DJIA | 9,509.28 | 3.32 | FUNDS | 0.25 | UNCH |
| NASDAQ | 2,017.98 | -2.92 | PRIME | 3.25 | UNCH |
| OIL | 74.37 | 0.48 | 1 MO LIBOR | 0.26 | 0.00 |
| GOLD | 941.55 | -12.30 | 3 MO LIBOR | 0.39 | -0.01 |

| FBI ADVANCE RATES ² | | | MBS INFO (current) | | |
|--------------------------------|------|-------|--------------------|------|-------|
| 1 MO FUNDING | 0.54 | 0.54 | FNMA 30 YR 6.00% | 3.14 | -0.05 |
| 3 MO FUNDING | 0.71 | 0.71 | FNMA 15 YR 5.50% | 3.19 | -0.04 |
| 5-2 (1-Time) | 2.03 | -0.1 | FNMA COMMITMENT | | |
| 10-5 (1-Time) | 3.76 | -0.03 | 30YR RATE | 4.92 | 0.10 |

| WEEKLY ECONOMIC RELEASES ³ | | | Prior | | |
|---------------------------------------|-----------|----------|--------|--|--|
| Date | Survey | Actual | | | |
| Mon, August 24 | | | | | |
| Chicago Fed Nat Activity Index | | -1.82(0) | -0.74 | | |
| Tue, August 25 | | | | | |
| S&P/CaseShiller Home Price Ind | 139.9(10) | 47.9 | 141.86 | | |
| Consumer Confidence | 47.4(0) | 16 | 54.1 | | |
| Richmond Fed Manufact Index | 0.65(40) | 0.4% | 0.5% | | |
| House Price Index MoM | | -4.6 | -4.5 | | |
| ABC Consumer Confidence | | | | | |
| Wed, August 26 | | | | | |
| MBA Mortgage Applications | 5.6% | 3.0% | | | |
| Durable Goods Orders | 2.5% | 0.9% | | | |
| Durables Ex Transportation | 1.1% | 300K | | | |
| New Home Sales | 384K | 1.6% | | | |
| New Home Sales MoM | 11.0% | | | | |
| Thu, August 27 | | | | | |
| Personal Consumption | -1.2% | -1.2% | | | |
| GDP Price Index | 0.2% | 0.2% | | | |
| Core PCE QoQ | 2.0% | 2.0% | | | |
| Initial Jobless Claims | 576K | 565K | | | |
| Continuing Claims | 6241K | 6238K | | | |
| Fri, August 28 | | | | | |
| Personal Income | -1.3% | 0.1% | | | |
| Personal Spending | 0.4% | 0.2% | | | |
| PCE Deflator YoY | -0.4% | -0.9% | | | |
| PCE Core MoM | 0.2% | 0.1% | | | |
| U of Michigan Confidence | 63.2 | 64.0 | | | |

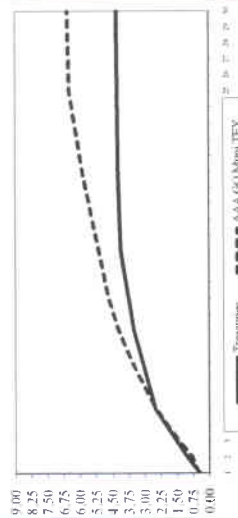
U.S. Treasuries increased yesterday as the 10-year treasury rose 24/32 to 101-07, a 3.479 percent yield, and the 30-year treasury rose 1 and 27/32 to 103-29, a 4.268 percent yield.

MARKET UPDATE

U.S. TREASURY AUCTION:

The U.S. Treasury auctioned \$31 billion in 3-month bills, a .16 percent yield and \$30 billion in 52-week bills, a .255 percent yield yesterday. Also, the U.S. Treasury has plans to auction \$27 billion in 4-week bills, and \$42 billion in 2-year notes today. Furthermore, the U.S. Treasury has plans to auction \$39 billion in 5-year notes tomorrow.

TREASURY YIELD CURVE VS AAA GO TEY



* Assumes a Cost of Funds of 2.5% and a 34% Tax Rate and generated by MK Trader

Update generated with Bloomberg data
Prior business day close, unless marked otherwise
Derived from the C15 (on the run) screen on Bloomberg
New York Federal Home Loan Bank
Derived from the ECO screen on Bloomberg
Derived from the FXC screen on Bloomberg
Derived from the USSW screen on Bloomberg
Derived from the FFA CMTD CT screen on Bloomberg

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| GENERIC AGENCY SPREADS (FNMA) | | | | |
|-------------------------------|--------|-------|------------|-------|
| Bermuda Call | Spread | Yield | Spread Chg | Yield |
| 2YR NC 3MO | 28 | -3 | 1.31 | |
| 2YR NC 1YR | 29 | -2 | 1.32 | |
| 3YR NC 3MO | 60 | -4 | 2.18 | |
| 3YR NC 6MO | 58 | -3 | 2.16 | |
| 3YR NC 1YR | 52 | -2 | 2.10 | |
| 3YR NC 3MO | 82 | -2 | 3.32 | |
| 3YR NC 6MO | 80 | -2 | 3.30 | |
| 3YR NC 1YR | 79 | -1 | 3.29 | |
| 3YR NC 2YR | 61 | -1 | 3.11 | |
| 3YR NC 3YR | 50 | -1 | 3.00 | |
| 3YR NC 3MO | 89 | -1 | 4.04 | |
| 3YR NC 1YR | 85 | 0 | 4.00 | |
| 3YR NC 2YR | 67 | 0 | 3.82 | |
| 3YR NC 3MO | 105 | -2 | 4.55 | |
| 3YR NC 1YR | 112 | -1 | 4.62 | |
| 3YR NC 3MO | 140 | -3 | 4.90 | |
| 3YR NC 1YR | 171 | -2 | 5.21 | |
| European Call | Spread | Yield | Spread Chg | Yield |
| 2YR NC 1YR | 29 | -3 | 1.32 | |
| 3YR NC 1YR | 51 | -2 | 2.09 | |
| 3YR NC 2YR | 69 | -1 | 3.19 | |
| 3YR NC 3YR | 58 | -1 | 3.08 | |
| 3YR NC 1YR | 84 | -2 | 4.34 | |
| 3YR NC 2YR | 78 | -1 | 4.28 | |
| Benchmarks | | | | |
| 5 Year | 40 | -5 | 2.90 | |
| 10 Year | 46 | -1 | 3.96 | |

| U.S. Dollar Spot Rate ⁴ (current) | |
|--|----------------|
| Unit of Currency per \$1 U.S. Dollar | |
| EUR | 0.70 AUD 1.19 |
| JPY | 94.22 NZD 1.45 |
| GBP | 0.61 HKD 7.75 |
| CHF | 1.06 NOK 6.02 |
| CAD | 1.07 SEK 7.05 |

| FED FUNDS FUTURES ⁵ (current) | |
|--|-------|
| MONTH | LAST |
| Aug09 | 0.165 |
| Sep09 | 0.17 |
| Oct09 | 0.185 |
| Nov09 | 0.2 |
| Dec09 | 0.21 |
| Jan10 | 0.225 |
| Feb10 | 0.3 |
| Mar10 | 0.37 |
| Apr10 | 0.445 |
| May10 | 0.605 |

**SANTA FE COUNTY
INVESTMENT COMMITTEE MINUTES
JULY 16, 2009**

Meeting called to order @ 2:04 pm.

Committee Members in Attendance:

Victor Montoya, County Treasurer
Roman Abeyta, County Manager
Teresa Martinez, Finance Director

Lowell Gilbert, Private Sector Member
Rachel Brown, Asst. County Attorney
Liz Stefanics, County Commissioner

A motion to approve the Minutes was made by Liz Stefanics, seconded by Lowell Gilbert, motion carried unanimously.

A motion to approve the Agenda was made by Teresa Martinez, seconded by Liz Stefanics, motion carried unanimously.

Victor Montoya, County Treasurer introduced Fidel L. Gutierrez, Senior Vice President and Daniel Bartholomew, Chief Financial Officer from Los Alamos National Bank to give a presentation on the financial condition and operations of the Bank.

Fidel L. Gutierrez, Senior Vice President began the presentation with a handout package to the committee members. First thing he pointed out was the total county holdings in investments totaling \$123,450,000.00. He reported the total level of collateralization (including \$250,000.00 in FDIC) is 108.10%. He also stated they are a classified publicly held company because they have over 500 shareholders which is why they have also included a form 10Q in our package. Fidel Gutierrez stated they have to follow the FCC rules and regulations and the main reason why he mentioned this was because they are not publicly traded, they are one of the few banks who are not. He then introduced Daniel Bartholomew, Chief Financial Officer.

Daniel Bartholomew, Chief Financial Officer thanked the committee for having them there. He added to Mr. Gutierrez's statement of account in reference to the investments the county holds with Los Alamos National Bank; he stated the list of investment accounts included in his package, was as of June 30, 2009. He pointed out that their form 10Q was their quarterly report, and it included 5 years of data, the main thing, he said, was the graph presentation. He stated the Bank has been profitable for the last 5 years; their return on assets is 1%. He also stated they have been hit hard the last 2 years, for obvious reasons but even with that, during the first quarter of 2009 they made \$3.2 million as a consolidated entity and have been able to remain profitable. Their capital to assets ratio, as a common measure, is around 14% in their first quarter 2009.

He informed the committee they received Capital Purchase Program funds from the US Treasury in the amount of \$35.5 million dollars. They were issued preferred stock which pays a rate of 5.6%, it is not an ownership position, it does not lose the interest of the common shareholders and has no holding rights. They made their first payment in May 2009, with quarterly payments thereafter. He explained that with the injection of that capital the Bank felt it was a good source of capital to help support growth and opportunities

in particularly in this environment we are all facing and decided to issue preferred shares to the U.S. Treasury. He indicated they were honored to be chosen as one of the few banks in New Mexico to receive the funds. He stated they were well capitalized which gave them an opportunity to receive the funds, serve the community and not have too much regulatory scrutiny given their capital levels minimum levels so they decided to go ahead and do this.

He then stated as of December 2008, on a consolidated level, they had total capital of \$139,000,806 million, on the bank level they had \$133,000,407 million and added the \$35.5 million capital purchase money to that. He added, they would have to lose all that money to be considered insolvent.

Next, he then made reference to the 10Q form he supplied the committee with. The first thing he made reference to was on page 4 which shows the provisions for loan losses which increased significantly from March 2009 in the amount of \$4,161 million from March 2008 in the amount of \$1,050 million.

Fidel Gutierrez reported that even though the increase in reserve numbers is higher this year than last year, the reserve losses for last year show their ability to make money.

Treasurer Montoya thanked Fidel L. Gutierrez and Daniel Bartholomew for taking the time to come in and report to us.

Treasurer Montoya then proceeded with the next item on the Agenda, the investment activity since our last committee meeting on June 18, 2009. We purchased and settled on the following government agencies (bonds) and CD's:

- a. L.F. Rothschild LLC, Federal Home Loan Bank Bond-CUSIP #3133XTWAO in the amount of \$1,998,000.00 settled June 30, 2009, with a rate of 2.05%.
- b. The distribution for June 2009 property tax collections was \$853,083.52 which will be made on June 20, 2009. The County's share for June is \$357,005.40. The maintenance report that shows we have collected \$124,332,592.25 as of June 30, 2009. The County Treasurer's Office property tax collection rate is 93.15% through June 20, 2009.
- c. When comparing the year-to-date collection rate, June 30, 2009 over June 30, 2008, we are down -.02%; but in dollars we are \$10,685,896.58 ahead of last years collections.

Treasurer Montoya then provided the committee with the County's portfolio as of June 18, 2009 which stands at approximately \$237,003,932.49 million. The portfolio on May 20th was approximately \$205,429,014.53, an increase of \$31,574,917.96. Since May 20th four bonds and twelve CD's matured or were called with a value of \$8,174,770.83. The first item Treasurer Montoya made reference to were the miscellaneous certificates of deposit on page 3 of the Agenda; the total amount is \$26,188,000.00. The second item he made reference to was on page 4 of the Agenda which includes all the Certificates of Deposit with Los Alamos National Bank for a total of \$114,453,128, he then referred to page 5 of the Agenda that covered government agency bonds, the total is \$44,864,003.34. Lastly, Treasurer Montoya asked the committee to turn to page 7 of the Agenda which includes the LGIP accounts. He reported the Pool balance to date is \$6,365,084.36; the pool reserve reimbursement was \$934,359.42, for a grand total of investments in the amount of \$219,203,058.66.

The next item of business was the State Treasurer's Local Government Investment Pool yields for the last six months:

- a. June 2009 Current Yield ___ 0.276%
- b. May 20089 Current Yield ___ 0.26%
- c. April 2009 Current Yield ___ 0.30%
- d. March 2009 Current Yield ___ 0.50%
- e. February 2009 Current Yield ___ 1.07%
- f. January 2009 Current Yield ___ 0.54% to -1.10%.

Treasurer Montoya stated the Pool invests in short term periods of 50-60 days or less, brokers and money managers continue projecting fed funds rates to remain static between 0.0% and .025%. A year ago the fed funds rate was 1.85%.

He then stated the State Treasurer's Executive Summary of investment activity for the LGIP in June 2009 is included in this month's agenda. Highlights of the June report are as follows:

- 1. The market value of the LGP decreased 4.4% from \$964 million in May to \$921 million in June.
- 2. The net yield at the LGIP for June was .26% minus 4.1 basis point administrative fee.
- 3. As reported in May, the STO suspended its loss amortization plan and created a Reserve Contingency Fund of its own. In the month end statements, the State Treasurer reduced the LGIP Reserve Contingency Fund by \$934,359.42. The revised LGIP Reserve Contingency Fund contains \$2.16 million of Santa Fe Count's funds.

Also, as stated in the previous month, the LGIP divested itself of all money market funds and liquidity needs are now met by laddered Treasury bills and notes; commercial paper, CD's; corporate bonds and collateralized bank deposits.

Treasurer Montoya stated a copy of the June 2009 STO report was attached with more detailed information.

Treasurer Montoya stated the overnight repo rate we received from our custody bank was still at .25% for May. In June we reported that on May 6th, he met with FCB and suspended our overnight repo agreement (yielding 0.25%) to a "NOW" Account which will yield .050% APY effectively doubling our yield.

Treasurer Montoya again included a chart from Morgan Keegan which provides an update on the inverted yield curve and where the maximum short term yields are on U.S. Treasuries as of July 16, 2009.

The next meeting was scheduled for August 20, 2009 at 2:00 pm.

Meeting adjourned at 3:18 pm.

**Santa Fe County
Investment Committee Meeting
August 26, 2009
Agenda**

COMMITTEE MEMBERS:

Victor A. Montoya, Treasurer
Roman Abeyta, County Manager
Teresa Martinez, Finance Director

Mike Anaya, Commission Chair
Ted Apodaca Asst. County Attorney
Lowell Gilbert, Private Sector

I. Call Meeting to Order:

1. Roll Call of Committee Members.
2. Approval of the July 16, 2009 Minutes
3. Approval of the August 26, 2009.

II. Current Agenda Items:

1. Discussion of First Community Bank's intention to explore merger options; CEO Michael R. Stanford says "It is in our shareholders' best interest to consider various strategic alternatives".
2. Discussion and approval for a Custody Bank Request for Proposals.
3. Investment activity since last Committee meeting on July 16th.
 - a. Bond purchases and/or Certificates of Deposit.
 - b. Distributions for July 2009 property tax collections.
 - c. Year-to-date collection rate July 31, 2009 over July 31, 2008.
4. County's investment portfolio as of July 31, 2009.(Information)
5. State Treasurer Local Government Investment Pool (LGIP) Yields.(Information)
6. A copy of the July 2009 STO report is attached with more detail for your information.
7. A chart from Morgan Keegan to provide an update on the inverted yield curve and where the maximum short term yields are on U.S. Treasuries as of August 26, 2009.(Information)
8. Schedule for the next meeting: September 17, 2009 at 2:00 PM.

Other Business.

Adjournment.

Memorandum

To: Santa Fe County Board of Finance
From: Victor A. Montoya, County Treasurer
Date: 9/7/2009
Subject: Santa Fe County Treasurer's Investment Plan

Good Afternoon Commissioners,

In accordance with Santa Fe County's Investment Policy (Resolution No. 2007-102), this memorandum is submitted to present the County Treasurer's investment plan for the foreseeable future and to give the County Board of Finance a status report of the County's investments.

As discussed previously with the County Board of Finance, my primary objective is to insure the County's portfolio contains safe, liquid and diversified investments while earning a market rate of interest on all money that is not immediately required to meet the County's cash flow needs.

During these past eighteen months, the financial world and its markets have been turned upside down and our markets both domestically and globally have suffered their greatest losses since the great depression. Some of these examples include the insolvency and bankruptcy of Freddie Mac and Fannie Mae and their takeover by the federal government; the bankruptcy of Merrill Lynch; the bankruptcy or near collapse of many investment banks; and the bankruptcy of Wachovia Bank and its takeover by Wells Fargo.

In terms of the County's investments, we have not suffered any losses to date, as we do not invest in equities, CMO's (collateralized mortgage obligations), MBS (mortgage backed securities), and other sub-prime lending instruments.

All our investments are secured or collateralized by the full faith and credit of the federal government, or at 102% by an irrevocable letter of credit or by pledged government agencies, where we require 102% collateral.

The County Treasurer's investment plan is to diversify the portfolio and invest in all permitted investments authorized in the policy as follows:

- Interest bearing accounts held at our Custody Bank;
- Certificates of deposit insured by the FDIC (with limits up to \$250,000), or collateralized at 102% for CD investments over \$250,000;
- Government agencies (bonds), treasury bills, or other debt securities issued by and backed by the full faith and credit of the United States. These investments are fully collateralized as provided for in our investment policy; and
- The State Treasurer's Local Government Investment Pool; investments in the LGIP, **are not** collateralized or backed by the full faith and credit of the State of New Mexico.

The County Board of Finance has approved Financial Depository Institution status for the following four banks:

First Community Bank: This bank is also our custody bank and we currently have \$20 million invested in a thirteen month Certificate of Deposit that yields 3.15%. The balances in our bank accounts are no longer swept into an overnight repurchase account and redeemed the following morning; the overnight repo account was suspended indefinitely because the yields are currently .25% due to the drop in fed funds rate to .25%. This bank's repo yield was fed funds less 50 basis points.

In early August of this year, we were advised by First Community Bank of their intentions to explore merger options. Their CEO Michael R. Stanford was quoted in the Albuquerque Journal as stating "It is in our shareholders best interest to consider various strategic alternatives". This notice gave me concern and I began checking their rating with bankrate.com where I found them to have a one star rating, the lowest rating of all banks we currently deal with. I then proceeded to obtain a quote from (NASDAQ:FSNM) through the Internet on their stock price, which on August 25, 2009, closed at \$1.27 per share. I thought this information should come to the attention of the County's Investment Committee and presented it to them at the meeting held on August 26, 2009, they also became concerned, and asked that we get a written response regarding the Committee's concerns (see attached letter from Ron Sanchez, Regional President of FCB). On August 26, the Committee formally approved an RFP seeking custody bank services.

For the record, First Community Bank responded that all our demand deposits and investments held at FCB are collateralized at 102% by letters of credit, government securities and the FDIC. While they appear to be well capitalized, the poor rating they received probably stems from bad commercial loans. We have not relied solely on Bankrate.com to obtain a rating on FCB, we also obtained ratings from two other rating agencies (see attached ratings).

Los Alamos National Bank: This bank received Financial Depository Institution status from the County Board of Finance in August 2005, and we currently have \$109,709,915.04 invested in Certificates of Deposit fully collateralized at 102% with an irrevocable letter of credit from the Federal Home Loan Bank in Dallas and with government agencies. LANB has offered the County some competitive rates; examples may be seen on the Santa Fe County Treasurer's portfolio.

Most of these rates beat both First Community Bank and the Local Government Investment Pool (see attached Treasurer's Report for examples of yields). These investments are laddered to meet our cash flow needs as the projects materialize according to the schedule provided to me by the Director of Community Services and the Finance Director.

Wells Fargo: This is the third bank to receive Financial Depository Institution status from the County Board of Finance. We use this bank to invest in brokered CD's all insured by the FDIC up to \$250,000. Wells Fargo shops bank rates through out the country and provides us with the yields, maturity dates, and payment dates. Currently we have approximately \$2,437,000 in these types of CD's with yields ranging from 3.50% to %5.20%. In October 2008, the government bailout increased FDIC insurance to \$250,000 through December 31, 2009; this has been extended through 2012.

First National Bank: This is the fourth bank to receive a Financial Depository Institution status from the County Board of Finance. The County's investment in this bank CD is \$5,000,000.00 with a yield of 2.70%; schedule to mature on December 31, 2009. This investment is collateralized at 102% secured by government agencies held at the Federal Reserve Bank in Boston.

Government Agencies (Bonds): As part of diversification of our assets, we invest in this type of security; our holdings currently stand at \$40.7 million. We expect to increase this category by \$2.0 million at the end of this month from the Universal Savings Account. These investments are laddered to meet our cash flow needs as the County's projects timetable materializes.

State Treasurer Local Government Investment Pool

The only place we may have some exposure is the commercial paper and money market funds that the State Treasurer invests in; the County's investments are not collateralized or secured by the State Treasurer.

In January 2009, the State Treasurer advised the County Treasurer that the LGIP investment in the *Reserve Primary Fund* had broke the buck as a result of Lehman Bros. bankruptcy. All LGIP shares in the Reserve Primary Fund were frozen until the funds liquidation could begin. The Reserve finally published a liquidation plan for shareholders on December 3, 2008; this plan estimates a loss of 1.5% of invested funds. Until the final distribution is made, the actual loss remains unknown.

On February 27, 2009, the County Treasurer received notice that the State Treasurer was creating their own Reserve Contingency Fund and would place that portion of a participant's LGIP holdings that were attributable to the Reserve position on September 15, 2008 into the Contingency Fund based on an estimated loss of 1.5%; and the Contingency Fund would not earn interest.

On June 2, 2009, the State Treasurer's office informed us that the STO was participating in a lawsuit against the Reserve Primary Fund on behalf of STO's portfolios and LGIP participants. As of August 31, 2009, the LGIP Reserve Contingency Fund holds hostage \$2,159,674.97 of Santa Fe County funds. Most of these funds are from bond issues approved for various projects within the county.

A copy of the State Treasurer's *Investment Outlook* is attached for your information. Finally, to provide a comparison of how our investments are doing compared to the LGIP, here are the LGIP results for the last six months:

- a. August 31, 2009 yield 0.29%.
- b. July 31, 2009 yield 0.30%.
- c. June 30, 2009 yield 0.28%.
- d. May 31, 2009 yield 0.26%.
- e. April 30, 2009 yield 0.30%.
- f. March 31, 2009 yield 0.50%.

The current balance at the LGIP on August 31, 2009 was approximately \$ 6,372,514.35.

I continue to look for investments that benefit our local economy here in Santa Fe County that will assist banks and credit unions with the ability to provide mortgage loans, auto loans and construction financing to our county constituents. Other banks located in Santa Fe County that have County funds invested in CD's include:

- a. Guadalupe Credit Union \$250,000.00 Secured by FDIC;
- b. Community Bank \$250,000.00 Secured by FDIC;
- c. Ironstone Bank \$250,000.00 Secured by FDIC.

In closing, I have attached a copy of "**Santa Fe County Treasurer's Portfolio**" which shows the County's investments in CD's; Government Agencies (Bonds); the Local Government Investment Pool; and demand deposits we have made through August 31. These investments show the principal investment amount, the effective annual interest rate (yield), the term, and maturity date and how we receive the income from the investment. The County's total portfolio as of August 31, 2009 was approximately \$212,691,199.55.

The County Treasurer's Investment Committee meets regularly on a monthly basis. I present an agenda to the Committee each month that includes what investments have been made, the investments that matured, and minutes from the prior month. I have our Custody Bank and Financial Depository Institutions make presentations to keep the Committee informed as to how they intend to use County funds to improve the economy of Santa Fe County, and the financial condition of the bank and their operations. We monitor the bank's rating through the use of bankrate.com, which provides a star rating and commentary on financial condition of the banks.

September 7, 2009

I want to thank the Investment Committee for their hard work and commitment to attend these monthly meetings. I know they have many commitments and obligations they have to attend to on behalf of the County.

Mr. Chair and Commissioners that concludes my portion of the presentation, thank you for your kind attention and I now make myself available to any questions you might have.



September 3, 2009

Victor Montoya
Santa Fe County Treasurer
102 Grant Avenue
Santa Fe, NM 87501

Sent via email

Dear Mr. Montoya,

I am writing in response to Mr. Brian Baca's email of 8-31-09 regarding the financial status of First Community Bank. Mr. Baca had asked four questions, which are listed below along with the Bank's response.

- Why is First Community Bank rated so poorly?

The issues causing First Community Banks current ratings are centered around asset quality numbers. These are very much concentrated in the Bank's residential and land development portfolio. The Bank continues to be well capitalized within the Federal Reserves definition of that status.

- What would the financial impact be to Santa Fe County if First Community bank was to fail?

First Community Bank is well capitalized, and is not in any immediate danger of failure. Banks do not fail when they are well capitalized.

- What is the current status of all Santa Fe County accounts and the names the accounts are held under?

As for the current status of Santa Fe County's deposits with First Community Bank, all deposits held by the Bank for SF County are FDIC insured or collateralized at 102% of the deposit amount by either the Federal Home Loan Bank or other government backed securities. Santa Fe County has no risk of loss to these deposits.

- What effect would a merger have on Santa Fe County?

Regarding the issue of a merger, and how that might effect the County's relationship with the Bank, I would imagine that the impact would be negligible. I would assume that the Bank would continue to value the relationship, and make every effort to accommodate the County's needs as we have historically done.



September 3, 2009

Victor Montoya
Santa Fe County Treasurer
Page 2

Should you have any further questions or concerns, I am more than happy to meet with you or your finance/investment committee.

Sincerely,

Ron Sanchez by JZH

Ron Sanchez
Regional President

CC: Brian Baca
Commissioner Mike Anaya
Commissioner Harry Montoya
Commissioner Virginia Vigil
Commissioner Liz Stefanics
Commissioner Kathy Holian

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SAFE & SOUND[®] STAR RATINGS[™]

Financial statement

FIRST COMMUNITY BANK

120 WEST PLAZA
TAOS, New Mexico 87571

STAR RATING: 1 +

Predictive Indicator neutral

As of March 31, 2009

Federal Reserve System Identifier 236751

Financial summary (\$ in Thousands)

| | 2009 3 months | 2008 Year | 2007 Year |
|---|------------------|--------------|--------------|
| Total Assets | \$3,546,608 | \$3,440,854 | \$3,421,082 |
| Loans Receivable, Net | 2,184,237 | 2,658,842 | 2,489,291 |
| Mortgage-Backed Securities | 352,461 | 332,054 | 224,534 |
| Investments | 123,204 | 124,617 | 272,772 |
| Deposits | 2,727,557 | 2,524,515 | 2,580,876 |
| Borrowings | 562,661 | 609,870 | 416,270 |
| Equity | 233,675 | 283,711 | 399,442 |
| Net Interest Income | 27,269 | 129,328 | 138,742 |
| Fee Income | 6,389 | 24,931 | 23,524 |
| Overhead | 26,390 | 234,677 | 108,847 |
| Net Operating Income | -23,278 | -152,768 | 45,191 |
| Net Income | -23,278 | -120,265 | 29,265 |
| Ratio Analysis Profitability | % | % | % |
| Return on Assets | -2.68 | -3.47 | 0.90 |
| Operating Return on Assets | -2.68 | -4.41 | 1.40 |
| Return on Equity | -34.32 | -38.23 | 7.92 |
| Net Interest Margin | 3.56 | 4.16 | 4.93 |
| Fee Income / Assets | 0.73 | 0.72 | 0.73 |
| Overhead / Assets | 3.03 | 6.78 | 3.30 |
| Asset Quality | % | % | % |
| Nonperforming Assets / Assets | 4.93 | 3.81 | 1.14 |
| Nonperforming Assets / Equity & Loss Reserves | 53.96 | 36.14 | 9.03 |

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Credit Union

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| 5 Yr CD | 2.84% | | 2.87% |
| 6 Mo CD | 1.32% | | 1.31% |
| 1 Yr Jumbo CD | 1.59% | | 1.55% |

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| Loss Reserves / Loans | 4.15 | 2.97 | 1.25 |
| 1-4 Fam Mtg + MBS / Assets | 18.19 | 18.00 | 14.04 |
| Commercial Real Estate Loans / Assets | 31.70 | 33.22 | 27.95 |
| Construction Loans / Assets | 24.89 | 26.04 | 27.14 |
| Commercial & Industrial Loans / Assets | 9.43 | 10.32 | 9.89 |
| Consumer Loans / Assets | 1.09 | 1.21 | 1.38 |
| Capitalization | % | % | % |
| Equity / Assets | 6.59 | 8.25 | 11.68 |
| Tangible Capital / Tangible Assets | 6.19 | 7.83 | 7.74 |
| Risk-based Capital Ratio | 9.02 | 10.33 | 10.09 |
| Liquidity | % | % | % |
| Loans / Deposits | 80.08 | 105.32 | 96.45 |
| Non-Interest Bearing Deposits / Deposits | 18.24 | 17.97 | 18.82 |
| Jumbo CDs & Borrowings / Assets | 38.45 | 42.89 | 35.52 |

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| | |
|-------------------------|--------------------|
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| High yield \$10,000 MMA | Local \$10,000 MMA |
| High yield \$25,000 MMA | Local \$25,000 MMA |
| High yield \$50,000 MMA | Local \$50,000 MMA |
| High yield jumbo MMA | |

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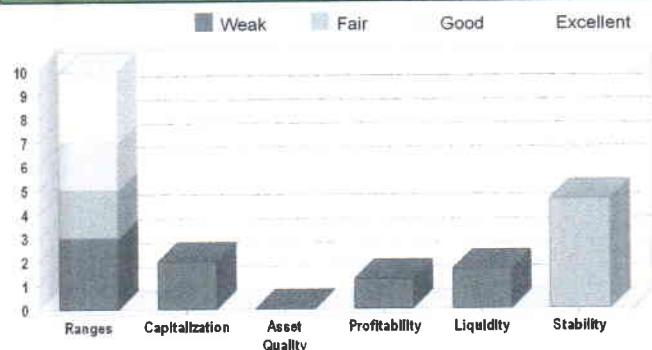
| | |
|-------------------|--|
| Company | FIRST COMMUNITY BK |
| Group Affiliation | FIRST STATE BANCORPORATION, ALBUQUERQUE NM |
| Safety Rating | E+ (Very Weak Financial Strength) |
| Address | 120 West Plaza, Taos, NM 87571 |
| Date Reviewed | July 9, 2009 (Downgraded) based on data through March 31, 2009 |
| Next Review Date | September 2009 |

The E+ rating means that, in our opinion, this institution currently demonstrates what we consider to be significant weaknesses and has also failed some of the basic tests we use to identify fiscal stability. Therefore, even in a favorable economic environment, it is our opinion that depositors or creditors could incur significant risks.

TheStreet.com Financial Strength Ratings represent a completely independent, unbiased opinion of an institutions financial strength. The ratings are derived, for the most part, from quarterly financial statements filed with state and federal regulators.

Ratings are assigned by our analysts based on a complex analysis of hundreds of factors that are synthesized into five indexes: capitalization, asset quality, profitability, liquidity and stability. These indexes are then used to arrive at a letter grade rating. The primary components of TheStreet.com Financial Strength Rating are as follows:

Rating Indexes



- **Capitalization Index** gauges capital adequacy in terms of each institution's cushion to absorb future operating losses under various potential business and economic scenarios as they may impact the company's net interest margin, securities values, and the collectibility of its loans.
- **Asset Quality Index** measures the quality of the institutions past underwriting and investment practices, as well as its loss reserve coverage.
- **Profitability Index** measures the soundness of the company's operations and the contribution of profits to the company's financial strength.
- **Liquidity Index** values a company's ability to raise the necessary cash to satisfy creditors and honor depositor withdrawals in the event the institution suffers from problems in other areas such as capital adequacy.
- **Stability Index** integrates a number of sub-factors that affect consistency (or lack thereof) in maintaining financial strength over time. Sub-factors include 1) risk diversification in terms of company size and loan diversification; 2) deterioration of operations as reported in critical asset, liability, income and expense items, such as an increase in loan delinquency rates or a sharp increase in loan originations; 3) years in operation; 4) former problem areas where, despite recent improvement, the company has yet to establish a record of stable performance; and 5) relationships with holding companies and affiliates.

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SANTA FE COUNTY TREASURER'S PORTFOLIO REPORT

CERTIFICATES OF DEPOSIT

| Security Description | Renewal Date | Invested Amount | Effective Annual Interest Rate | Term | Maturity Date | Interest Check to be Paid |
|---|-----------------|--------------------|--------------------------------------|----------|------------------|------------------------------|
| Guadalupe Credit Union - CD, #11034009 | 1/1/2009 | \$ 250,000.00 | 4.06% | 12mo. | 1/1/2010 | Monthly |
| Advanta Bank Corp. - Acct. #3501028306 | 10/29/2008 | \$ 99,000.00 | 4.25% | 1 yr | 10/29/2009 | Monthly |
| First Community Bank - CD, #4650468967 | 11/7/2008 | \$ 20,000,000.00 | 3.15% | 13 mo. | 12/7/2009 | Monthly |
| MarqBank - Acct #000000108090 (renewal of #105343 above) | 5/1/2009 | \$ 99,000.00 | 2.20% | 12 mo. | 5/1/2010 | Monthly |
| Alliance Bank - thru Multi Bank Securities, Inc. Cusip #01853QBU1 | 11/28/2008 | \$ 240,000.00 | 3.65% | 1 yr | 11/25/2009 | Monthly |
| First National Bank of Santa Fe - CD #103368481 | 12/1/2008 | \$ 5,000,000.00 | 2.70% | 1yr. | 12/1/2009 | Monthly |
| Community Bank CD# 701477-Santa Fe | 4/2/2009 | \$ 250,000.00 | 2.67% | 7Months | 11/2/2009 | Monthly |
| Ironstone Bank CD# 009471010396-Santa Fe | 4/3/2009 | \$ 250,000.00 | 1.75% | 272 Days | 12/31/2009 | Monthly |

Sub Total Miscellaneous Certificates of Deposit

\$ 26,188,000.00

BROKED CERTIFICATES OF DEPOSIT

| | | | | | | |
|---|------------|---------------|-------|-----------|------------|-------------|
| Wells Fargo - CD, Wachovia Bk FSB Houston Tx Cusip #92979HIBGO | 4/9/2008 | \$ 97,000.00 | 4.25% | 5 yrs. | 4/9/2013 | Semi-Annual |
| Wells Fargo - CD, Investors Cmnty Bk Manitowa WI. Cusip #46147UHW3 | 4/9/2008 | \$ 100,000.00 | 3.50% | 2 yrs. | 4/9/2010 | Monthly |
| Wells Fargo - CD, Riverside NB FL Ft. Pierce, FI Cusip #769174DA8 | 4/11/2008 | \$ 97,000.00 | 3.50% | 2 yrs. | 4/12/2010 | Semi-Annual |
| Wells Fargo - CD, Delta Tr. & Bk Parkdale, AZ Cusip #247816AP6 | 4/11/2008 | \$ 100,000.00 | 3.55% | 2 yrs. | 4/9/2010 | Monthly |
| Wells Fargo - CD, Firstbank of Puerto Rico Cusip #337629RD3 | 4/11/2008 | \$ 100,000.00 | 3.65% | 30 mo. | 10/12/2010 | Monthly |
| Wells Fargo - CD, Amcore Bk Rockford, IL Cusip #02341VTJ4 | 4/11/2011 | \$ 97,000.00 | 3.80% | 3 yrs. | 4/11/2011 | Semi-Annual |
| Wells Fargo - CD, Choice Financial Group, Cusip #17037TDA2 | 4/16/2008 | \$ 97,000.00 | 4.00% | 4 yrs. | 4/16/2012 | Semi-Annual |
| Wells Fargo - CD Southern CmntyFayettev, GA Cusip #84262RAX5 | 4/16/2008 | \$ 100,000.00 | 3.60% | 30 mo. | 10/15/2010 | Monthly |
| Wells Fargo - CD M & I Bank FSB Las Vegas, NV Cusip #553036GG3 | 4/18/2008 | \$ 100,000.00 | 5.20% | 10.5 Yrs. | 10/18/2018 | Monthly |
| Wells Fargo - CD M & I Marshall & Ilsley Bk Milwa. WI Cusip # 55405PGL7 | 4/18/2008 | \$ 100,000.00 | 5.20% | 10.5 Yrs. | 10/18/2018 | Monthly |
| Wells Fargo-CD Home Federal Savings Bk MN Cusip# 43708WGY4 | 9/10/2008 | \$ 96,000.00 | 3.50% | 1yr. | 9/10/2009 | Maturity |
| Wells Fargo-CD Cit Bk Salt Lake City Utah Cusip # 17284PH81 | 9/10/2008 | \$ 96,000.00 | 3.55% | 1yr. | 9/10/2009 | Maturity |
| Wells Fargo-CD Capital One Bk(USA)Natl Assn. Cusip# 140420DJ6 | 9/10/2008 | \$ 96,000.00 | 3.45% | 1yr. | 9/10/2009 | Maturity |
| Wells Fargo-CD NCB Savings Bank FSB Cusip#628825EB3 | 9/11/2008 | \$ 96,000.00 | 3.50% | 1yr. | 9/11/2009 | Maturity |
| Wells Fargo-CD Bank Fayetteville N A Ark Cusip# 06209PAV2 | 9/12/2008 | \$ 100,000.00 | 3.65% | 15mo. | 12/14/2009 | Monthly |
| Wells Fargo-CD Bank Fayetteville N A Ark Cusip#30837NCU7 | 9/17/2008 | \$ 100,000.00 | 3.65% | 15mo. | 12/17/2009 | Monthly |
| Wells Fargo-CD Farmers & Merchants Statesboro GA Cusip#14042EN22 | 10/22/2008 | \$ 94,000.00 | 4.00% | 18mo. | 4/22/2010 | Semi-Annual |
| Wells Fargo-CD Capital One Natl Assn Mclean VA Cusip #14042EN22 | 10/22/2008 | \$ 94,000.00 | 4.05% | 18mo. | 4/22/2010 | Semi-Annual |
| Wells Fargo-CD Comerica Bk Dallas Tx Cusip #200339DA4 | 10/22/2008 | \$ 100,000.00 | 3.70% | 1yr. | 10/22/2009 | Maturity |
| Wells Fargo-CD Royal Bank America Narberth PA Cusip#780095CW3 | 10/22/2008 | \$ 97,000.00 | 3.65% | 1yr. | 10/22/2009 | Maturity |
| Wells Fargo-CD Branch Banking & Trust CO WIN SAL. Cusip #105133DC3 | 10/22/2008 | \$ 240,000.00 | 3.65% | 1yr. | 10/22/2009 | Maturity |
| Wells Fargo-CD Goldman Sachs Bk USA Salt UT Cusip #381426QM0 | 10/22/2008 | \$ 240,000.00 | 3.65% | 1yr. | 10/22/2009 | Maturity |
| Wells Fargo-CD Commercial Bank Thomasvil GA Cusip # 201507BC3 | 10/29/2008 | \$ 240,000.00 | 3.65% | 1yr. | 10/29/2009 | Maturity |

Wells Fargo Brokered Certificates of Deposit \$ 2,437,000.00

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SANTA FE COUNTY TREASURER'S PORTFOLIO REPORT

CD & SAVINGS ACCOUNTS AT LOS ALAMOS NATIONAL BANK

| | | | | | | |
|---|------------|------------------|-------|---------|------------|---------|
| Los Alamos National Bank-Acct #0030489134 | 8/5/2005 | \$ 2,036,643.61 | 5.40% | 60 mo. | 8/5/2010 | Monthly |
| Los Alamos National Bank-Acct #0030489173 | 8/6/2008 | \$ 101,303.73 | 3.85% | 36 mo. | 8/6/2011 | Monthly |
| Los Alamos National Bank-Acct #0030489179 | 11/1/2008 | \$ 3,033,501.01 | 3.30% | 12mo. | 11/1/2009 | Monthly |
| Los Alamos National Bank-Acct #0030489178 | 11/1/2008 | \$ 2,022,334.01 | 3.30% | 12 mo. | 11/1/2009 | Monthly |
| Los Alamos National Bank-Acct #0030489168 | 7/27/2008 | \$ 1,011,846.79 | 3.50% | 24 mo. | 7/27/2010 | Monthly |
| Los Alamos National Bank-Acct #0030489169 | 7/31/2008 | \$ 1,011,336.92 | 3.35% | 18mo. | 1/31/2010 | Monthly |
| Los Alamos National Bank-Acct #0030489169 | 11/30/2008 | \$ 1,009,299.38 | 2.75% | 12 mo. | 11/30/2009 | Monthly |
| Los Alamos National Bank-Acct #0030489180 | 4/26/2009 | \$ 5,033,783.89 | 2.00% | 12 mo. | 4/26/2010 | Monthly |
| Los Alamos National Bank-Acct #0030489183 | 7/31/2008 | \$ 1,011,336.92 | 3.35% | 18 mo. | 1/31/2010 | Monthly |
| Los Alamos National Bank-Acct #0030489170 | 10/31/2008 | \$ 5,069,535.76 | 3.30% | 17 mo. | 3/31/2010 | Monthly |
| Los Alamos National Bank-Acct #0030489174-GRT Judicial Rev. Bond | 10/31/2008 | \$ 5,069,535.76 | 3.30% | 20 mo. | 6/30/2010 | Monthly |
| Los Alamos National Bank-Acct #0030489175-GRT Judicial Rev. Bond | 10/31/2008 | \$ 5,069,535.76 | 3.30% | 23 mo. | 9/30/2010 | Monthly |
| Los Alamos National Bank-Acct #0030489176-GRT Judicial Rev. Bond | 10/31/2008 | \$ 5,076,954.45 | 3.65% | 26 mo. | 12/31/2010 | Monthly |
| Los Alamos National Bank-Acct #0030489177-GRT Judicial Rev. Bond | 10/31/2008 | \$ 5,055,835.02 | 3.30% | 30mo. | 6/30/2011 | Monthly |
| Los Alamos National Bank-Acct #0030489181 | 12/31/2008 | \$ 10,087,160.19 | 2.60% | 180days | 8/30/2009 | Monthly |
| Los Alamos National Bank-Acct #0030489182-Buckman GO Bond | 3/3/2009 | \$ 15,511,718.01 | 1.00% | N/A | N/A | N/A |
| Los Alamos National Bank-Acct #0111883820 Universal Savings Acct. Pool Cash | 5/4/2009 | \$ 11,053,772.67 | 2.00% | 12 mo. | 5/4/2010 | Monthly |
| Los Alamos National Bank-Acct#0111883830- Pool Cash Acct. | 5/4/2009 | \$ 80,332.29 | 1.70% | 4 mo. | 9/4/2009 | Monthly |
| Los Alamos National Bank-Acct #0111883831-Fire Protection Revenue Bond | 5/4/2009 | \$ 1,240,129.83 | 1.70% | 4 mo. | 9/4/2009 | Monthly |
| Los Alamos National Bank-Acct #0111883832-Road Projects Account | 5/4/2009 | \$ 514,126.70 | 1.70% | 4 mo. | 9/4/2009 | Monthly |
| Los Alamos National Bank-Acct #0111883833-Facility Bond 1997 Proceeds | 5/4/2009 | \$ 3,300,653.25 | 1.70% | 4 mo. | 9/4/2009 | Monthly |
| Los Alamos National Bank-Acct #0111883834-GOB Series 2001 A | 5/4/2009 | \$ 943,904.48 | 1.70% | 4 mo. | 9/4/2009 | Monthly |
| Los Alamos National Bank-Acct #0111883835-GOB Open Space | 5/4/2009 | \$ 1,647,816.24 | 1.70% | 4 mo. | 9/4/2009 | Monthly |
| Los Alamos National Bank-Acct #0111883836-GOB Series 2005 A | 5/4/2009 | \$ 19,139,169.74 | 1.70% | 4 mo. | 9/4/2009 | Monthly |
| Los Alamos National Bank-Acct #0111883837-GOB Series 2007 A | 5/4/2009 | \$ 337,395.64 | 1.70% | 4 mo. | 9/4/2009 | Monthly |
| Los Alamos National Bank-Acct #0111883838-GOB Series 2007 B | 5/4/2009 | \$ 1,466,421.92 | 1.80% | 6 mo. | 10/31/2009 | Monthly |
| Los Alamos National Bank-Acct #0111883839-SF Affordable Housing Fund | 5/4/2009 | \$ 2,700,169.33 | 1.70% | 4 mo. | 9/4/2009 | Monthly |
| Los Alamos National Bank-Acct #0111883840-GRT 2008 Judicial Rev. Bond | 5/4/2009 | \$ 74,361.74 | 2.00% | 12 mo. | 5/4/2010 | Monthly |
| Los Alamos National Bank-Acct #0111883841- Phase II 2008 GOB Buckman | 5/4/2009 | \$ | | | | |

LANB Certificates of Deposit

\$ 109,709,915.04

Total Certificates of Deposit

\$ 138,334,915.04

SANTA FE COUNTY TREASURER'S PORTFOLIO REPORT

INVESTMENT IN GOVERNMENT AGENCIES (BONDS)

MORGAN-KEEGAN

Federal Home Loan Bank-Cusip #3133XSK31

| 10/29/2008 | \$ | 2,000,000.00 | 3.17% | 1 Year | 10/29/2009 | Semi-Annual |
|------------|----|--------------|-------|--------|------------|-------------|
|------------|----|--------------|-------|--------|------------|-------------|

LF ROTHSCHILD LLC

Federal Home Loan Bank-Cusip#3133XPAM6

Federal Farm Credit Bank-Cusip #31331GHXO

Federal Farm Credit Bank-Cusip #31331GHY8

Federal Farm Credit Bank-Cusip #3133XSZF8

Federal Farm Credit Bank-Cusip #31331GUN7

Freddie Mac Bond -Cusip #3128X88ZN5

Federal Home Loan Bank -Cusip #3133XTWAO

Freddie Mac Bond -Cusip #3133F4EL1 (DTC Safekeeping)

Freddie Mac Bond-Cusip#3133F4BEO (DTC Safekeeping)

| 1/8/2009 | \$ | 1,404,000.00 | 5.45% | 15 Years | 2/8/2023 | Semi-Annual |
|------------|----|--------------|-------|-------------|------------|-------------|
| 12/24/2008 | \$ | 5,000,000.00 | 3.00% | 5 Years | 12/24/2013 | Semi-Annual |
| 12/29/2008 | \$ | 5,000,000.00 | 3.87% | 7 Years | 12/29/2015 | Semi-Annual |
| 2/19/2009 | \$ | 2,000,000.00 | 4.10% | 7 Years | 2/19/2016 | Semi-Annual |
| 5/5/2009 | \$ | 3,000,000.00 | 3.60% | 7 Years | 5/5/2015 | Semi-Annual |
| 5/19/2009 | \$ | 2,000,000.00 | 2.00% | 5 Years | 5/19/2014 | Semi-Annual |
| 6/30/2009 | \$ | 1,998,000.00 | 2.05% | 5 Years | 6/30/2014 | Semi-Annual |
| 8/21/2009 | \$ | 200,009.72 | 1.75% | 3 Years | 8/15/2010 | Annually |
| 8/21/2009 | \$ | 130,379.17 | 1.49% | 3 Yrs 4 mo. | 12/15/2012 | Annually |

MUTUAL SECURITIES, INC.

Federal Farm Credit Bank-Cusip #31331X7J5

Fannie Mae Bond-Cusip # 31355A1CD7 (DTC Safekeeping)

Fannie Mae Bond-Cusip #31398ARC8

Federal Home Loan Bank-Cusip #3133XSSK5

Federal Home Loan Bank-Cusip #3133XSXG8

Fannie Mae Bond-Cusip #3136FHJMB

Federal Farm Credit Bank-Cusip #31331GTY5

Freddie Mac Bond-Cusip #3128X8VF6

Federal Farm Credit Bank-Cusip #31331GWY1

Freddie Mac Bond-Cusip #3128X84RO

| 10/15/2007 | \$ | 1,000,000.00 | 5.05% | 5 Years | 10/15/2012 | Semi-Annual |
|------------|----|--------------|-------|--|------------|-------------|
| 1/25/2008 | \$ | 1,990,000.00 | 4.50% | 12 Years <td>1/23/2020</td> <td>Semi-Annual</td> | 1/23/2020 | Semi-Annual |
| 11/19/2008 | \$ | 1,994,975.56 | 4.12% | 4.5 Years <td>5/6/2013</td> <td>Semi-Annual</td> | 5/6/2013 | Semi-Annual |
| 1/9/2009 | \$ | 3,000,000.00 | 3.40% | 6 Years <td>1/9/2015</td> <td>Semi-Annual</td> | 1/9/2015 | Semi-Annual |
| 2/17/2009 | \$ | 2,487,500.00 | 3.75% | 7 Years <td>2/17/2016</td> <td>Semi-Annual</td> | 2/17/2016 | Semi-Annual |
| 4/21/2009 | \$ | 1,000,000.00 | 2.25% | 7 Years <td>4/21/2016</td> <td>Semi-Annual</td> | 4/21/2016 | Semi-Annual |
| 4/22/2009 | \$ | 1,500,000.00 | 3.40% | 7 Years <td>4/22/2016</td> <td>Semi-Annual</td> | 4/22/2016 | Semi-Annual |
| 4/28/2009 | \$ | 1,000,000.00 | 3.00% | 5 Years <td>4/28/2014</td> <td>Semi-Annual</td> | 4/28/2014 | Semi-Annual |
| 6/1/2009 | \$ | 1,991,027.78 | 3.70% | 7 Years <td>5/26/2016</td> <td>Semi-Annual</td> | 5/26/2016 | Semi-Annual |
| 7/29/2009 | \$ | 2,000,000.00 | 3.00% | 5 Years <td>7/29/2014</td> <td>Semi-Annual</td> | 7/29/2014 | Semi-Annual |

| | | |
|-----------------------------------|----|---------------|
| Total Government Agencies (Bonds) | \$ | 40,695,892.23 |
|-----------------------------------|----|---------------|

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SANTA FE COUNTY TREASURER'S PORTFOLIO REPORT

| | Balance | CURRENT LGIP BALANCES | POOL CONT. RESERVE FUND | |
|---|-----------|--------------------------|-------------------------------|---------|
| LOCAL GOVERNMENT INVESTMENT POOL | | | | |
| Santa Fe County Treasurer-Account #7081-1326 Pool Cash | 8/31/2009 | 982,268.92 | \$469,746.54 | Monthly |
| Santa Fe County Treasurer-Account #7574-2902 Fire Protect Rev. Bond | 8/31/2009 | 3,943.93 | \$2,037.61 | Monthly |
| Santa Fe County Treasurer-Account #7579-2971 | 8/31/2009 | 60,425.42 | \$31,444.57 | Monthly |
| Santa Fe County Treasurer-Account #7580-2972 | 8/31/2009 | 24,867.84 | \$13,031.68 | Monthly |
| Santa Fe County Treasurer-Account #7724-4186 SFC 2001A GOB | 8/31/2009 | 159,056.46 | \$83,648.02 | Monthly |
| Santa Fe County Treasurer-Account #7765-5257 | 8/31/2009 | 61,050.36 | \$31,965.48 | Monthly |
| Santa Fe County Treasurer-Account #7813-9104 SFC 2005A GOB | 8/31/2009 | 213,856.70 | \$113,390.64 | Monthly |
| Santa Fe County Treasurer-Account #7832-10580 SFC 2007A GOB | 8/31/2009 | 1,030,011.64 | \$542,861.83 | Monthly |
| Santa Fe County Treasurer-Account #7864-11172 SFC 2007B GOB | 8/31/2009 | 137,371.15 | \$108,306.48 | Monthly |
| Santa Fe County Treasurer-Account #7885-11608 SFC Affordable Housing Fund | 8/31/2009 | 70,832.05 | \$37,158.73 | Monthly |
| Santa Fe County Treasurer-Account #7904-12031 2008 GRT Judicial Rev. Bond | 8/31/2009 | 2,951,912.44 | \$726,083.39 | Monthly |
| Santa Fe County Treasurer-Account#7908-12101Phase II GOB Buckman Proj. | 8/31/2009 | 676,917.44 | \$0.00 | Monthly |
| NOTE | | | | |
| Total LGIP Investments as of August 31, 2009 | | \$ 6,372,514.35 | \$2,159,674.97 | \$0.00 |

Deduct Called Bonds & Matured CD's

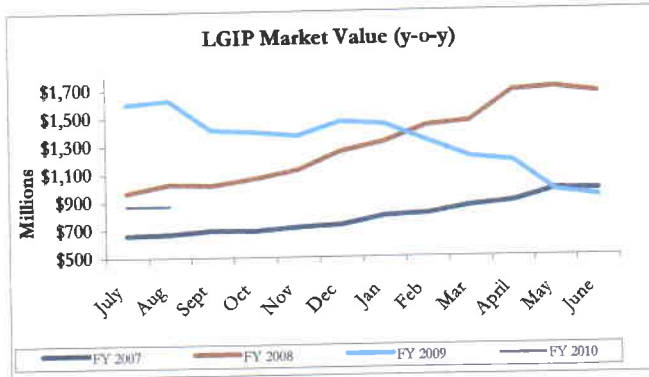
| | |
|--|-------------------|
| Grand Total All Investments as of August 31, 2009 | \$ 185,403,321.62 |
| First Community Bank Cash Balance | |
| Grand Total All Investments & Cash Balance July 16, 2009 | \$ 212,691,199.55 |

14.

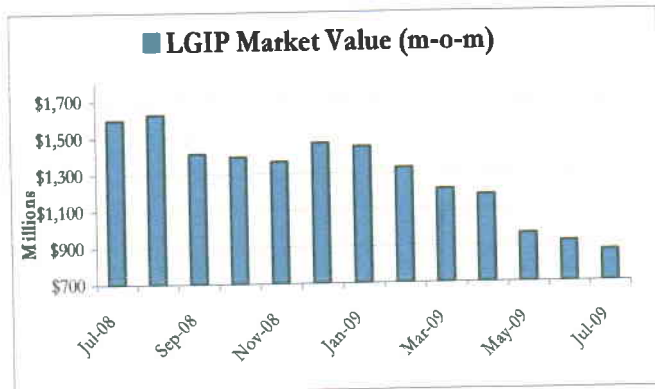
NEW MEXICO STATE TREASURER'S EXECUTIVE SUMMARY OF INVESTMENT ACTIVITY

As of July 31, 2009

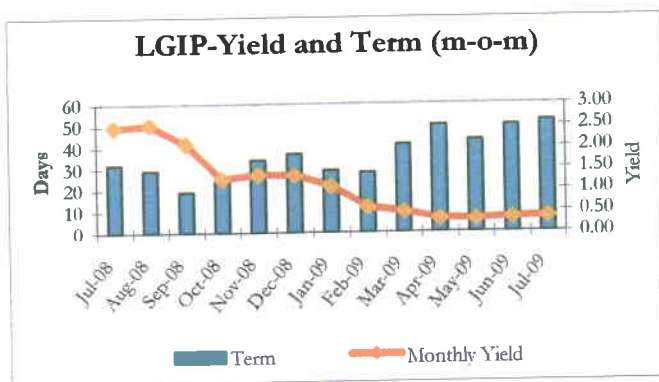
NEW MEXIGROW Local Government Investment Pool (LGIP)



- The July 31 market value of the LGIP portfolio was \$869 million, compared to a market value of \$1.6 billion at the same period last year and \$961 million at the same period two years ago.



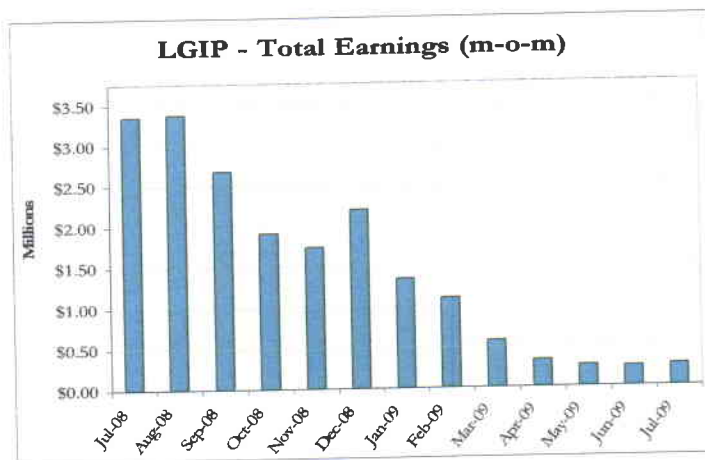
- During the month the market value of the portfolio decreased 5.7%, from \$921 million at June month end to \$869 million. Participant contributions for July totaled \$47 million and withdrawals totaled \$98 million.



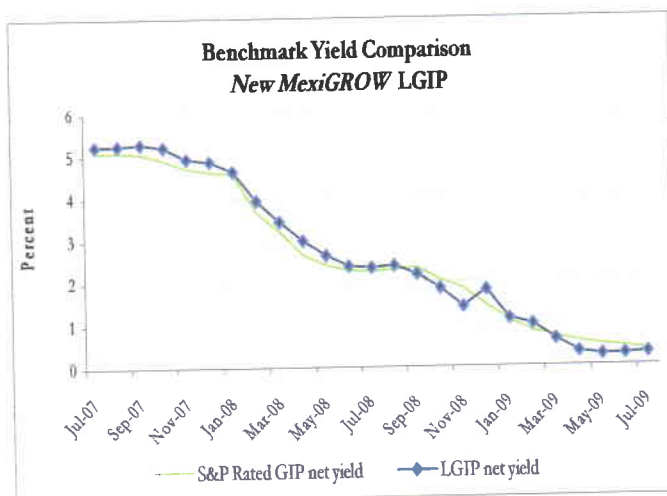
- The gross yield was .35% at July 31, a 7.8% increase from June month-end of .33%. The weighted average maturity at July 31 was 52 days, up from the June 30 weighted average maturity of 50 days and within the rule 2a-7 requirement of 60 days or less.

| Local Government Investment Pool | | | | | |
|----------------------------------|-------|----------------|----------------|-------------|--|
| Asset Type | Yield | Market Value | % of Portfolio | Term (Days) | |
| LGIP Bank Account | 0.15% | \$ 30,764,492 | 3.54% | 2 | |
| Commercial Paper-Disc B | 0.36% | \$ 39,967,722 | 4.60% | 65 | |
| Commercial Paper-TLGP | 1.03% | \$ 49,705,417 | 5.72% | 47 | |
| Certificates of Deposit | 1.87% | \$ 40,000,000 | 4.60% | 144 | |
| US Treasury Bills | 0.16% | \$ 139,995,350 | 16.12% | 12 | |
| US Treasury Notes | 0.21% | \$ 553,072,000 | 63.67% | 58 | |
| Corporate Bonds | 1.50% | \$ 15,122,100 | 1.74% | 42 | |
| Total: | 0.35% | \$ 868,627,081 | 100% | 50 | |

- July purchases in the LGIP portfolio totaled \$265 million. Purchases include government guaranteed asset-backed commercial paper and Treasury securities.
- Sales during the month totaled \$35 million, which included U.S. Treasury Bill.



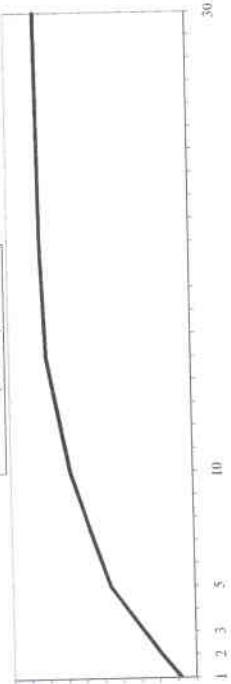
- LGIP earnings for July totaled \$263 thousand, a 7% increase from June earnings of \$245 thousand. Fiscal year-to-date earnings total \$263 thousand.



- The 30-day net yield of the LGIP as of July 24 was 0.29%, underperforming the 30-day net S&P Rated Government Investment Pool (GIP) index 0.36 by .07 basis points. The 30-day gross yield of the LGIP at July 24, was 0.34%, underperforming the 30-day gross S&P Rated GIP index of 0.55%.
- The administrative fee assessed for July was 4.1 basis points. Year-to-date fees collected total \$32,000.18.

| TREASURY YIELD CURVE ¹ | | | | | |
|-----------------------------------|---------------|-------------|----------|-----------|----------|
| TERM | CURRENT YIELD | PREV. CLOSE | WEEK AGO | MONTH AGO | YEAR AGO |
| 3 MO. | 0.13 | 0.12 | 0.14 | 0.18 | 1.67 |
| 6 MO. | 0.22 | 0.22 | 0.23 | 0.27 | 1.88 |
| 1 YR | 0.94 | 0.91 | 1.02 | 1.20 | 2.17 |
| 2 YR | 2.32 | 2.30 | 2.45 | 2.70 | 2.85 |
| 3 YR | 3.00 | 2.97 | 3.09 | 3.34 | 0.00 |
| 5 YR | 3.37 | 3.34 | 3.45 | 3.69 | 3.62 |
| 10 YR | 4.18 | 4.16 | 4.20 | 4.46 | 4.26 |
| 30 YR | | | | | |

TREASURY YIELD CURVE (current)



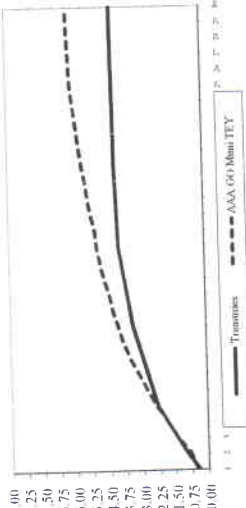
| MARKET INDICES | | | MONEY MARKETS | | | FHLB ADVANCE RATES ² | | | MBS INFO (current) | | |
|----------------|----------|-------|---------------|------|-------|---------------------------------|------|------|--------------------|-------|------|
| DJIA | 9,344.61 | 63.94 | FUNDS | 0.28 | UNCH | 1 MO FUNDING | 0.51 | UNCH | FNMA 30 YR | 6.00% | 3.19 |
| NASDAQ | 1,983.20 | 16.13 | PRIME | 3.25 | UNCH | 3 MO FUNDING | 0.68 | UNCH | FNMA 15 YR | 5.50% | 3.62 |
| OIL | 67.96 | -0.09 | 1 MO LIBOR | 0.25 | 0.00 | 5-2 (1-Time) | 1.88 | UNCH | FNMA COMMITMENT | | 0.47 |
| GOLD | 991.85 | 13.35 | 3 MO LIBOR | 0.32 | -0.01 | 10-5 (1-Time) | 3.60 | UNCH | 30YR RATE | | 4.77 |

MARKET UPDATE

U.S. Treasuries declined yesterday as the 10-year treasury fell 10+/- to 102-10+, a 3.348 percent yield, and the 30-year treasury fell 23/32 to 105-24, a 4.162 percent yield.

U.S. TREASURY AUCTION:
The U.S. Treasury auctioned \$29 billion in 308-day cash management bills, a 3.85 percent yield yesterday. Also, the U.S. Treasury has plans to auction \$29 billion in 3-month bills, \$29 billion in 6-month bills, and \$38 billion in 3-year notes Tuesday.

TREASURY YIELD CURVE VS AAA GO TEE



* Assumes a Cost of Funds of 2.5% and a 34% Tax Rate and generated by MK Trader

Update generated with Bloomberg data
Prior business day close, unless marked otherwise
Derived from the C15 (on the run) screen on Bloomberg
New York Federal Home Loan Bank
Derived from the ECO screen on Bloomberg
Derived from the FYC screen on Bloomberg
Derived from the USSW screen on Bloomberg
Derived from the FFA CMDTY CT screen on Bloomberg

WEEKLY ECONOMIC RELEASES³

| Date | Mon, August 31 | Tue, September 1 | Wed, September 2 | Thu, September 3 | Fri, September 4 |
|------------------------------|----------------|------------------|------------------|------------------|------------------|
| Chicago Purchasing Manager | 43.4 | 48.9 | 50.5 | 57.4K(t) | 57.9K |
| NAPM-Milwaukee | 45.0 | 0.1% (t) | 0.0% | 61.42K(t) | 62.34K |
| Dallas Fed Manf. Activity | -23.4% (t) | 3.6% | 1.5% | 46.4 | 48.4 |
| Bloomberg FCI Monthly | -1.1 | -4.5 | -4.4 | -5.0% | -2.1% |
| ISM Manufacturing | 48.9 | 48.9 | 50.5 | 57.4K(t) | 57.9K |
| Construction Spending MoM | 0.1% (t) | 0.1% (t) | 0.0% | 61.42K(t) | 62.34K |
| Pending Home Sales MoM | 3.6% | 3.6% | 1.5% | 46.4 | 48.4 |
| ABC Consumer Confidence | -4.5 | -4.5 | -4.4 | -5.0% | -2.1% |
| Total Vehicle Sales | 11.3M | 11.3M | 13.3M | 57.4K(t) | 57.9K |
| MBA Mortgage Applications | 7.5% | 7.5% | 7.5% | 57.4K(t) | 57.9K |
| ADP Employment Change | -300K(t) | -300K(t) | -250K | 61.42K(t) | 62.34K |
| Nonfarm Productivity | 6.4% | 6.4% | 6.4% | 46.4 | 48.4 |
| Unit Labor Costs | -5.8% | -5.8% | -5.8% | -5.0% | -2.1% |
| Factory Orders | 0.9% (t) | 0.9% (t) | 2.2% | 57.4K(t) | 57.9K |
| Initial Jobless Claims | 57.4K(t) | 57.4K(t) | 57.4K(t) | 61.42K(t) | 62.34K |
| Continuing Claims | 61.42K(t) | 61.42K(t) | 61.42K(t) | 46.4 | 48.4 |
| ISM Non-Manf. Composite | 46.4 | 46.4 | 46.4 | -5.0% | -2.1% |
| ICSC Chain Store Sales YoY | -5.0% | -5.0% | -5.0% | 57.4K(t) | 57.9K |
| Change in Nonfarm Payrolls | -276K(t) | -276K(t) | -230K | 61.42K(t) | 62.34K |
| Unemployment Rate | 9.5% | 9.5% | 9.5% | 46.4 | 48.4 |
| Change In Manufact. Payrolls | -43K(t) | -43K(t) | -60K | -5.0% | -2.1% |
| Average Hourly Earnings MoM | 0.3% (t) | 0.3% (t) | 0.1% | 57.4K(t) | 57.9K |
| Average Weekly Hours | 33.1 | 33.1 | 33.1 | 61.42K(t) | 62.34K |

The information contained herein is based on sources which we believe reliable but is not guaranteed by us and is not to be considered an offer or the solicitation of an offer to sell or buy the securities herein mentioned. This firm and its individual shareholders and/or members of their families may have a position in the securities mentioned herein. Opinions expressed are our present opinions only and are subject to change without notice. Morgan Keegan & Co., Inc. may also perform or seek to perform investment banking for entities referred to herein. The securities and other investment products described herein are: 1) Not insured by the FDIC; 2) Subject to investment risks, including possible loss of the principal amount invested; 3) Not deposits or other obligations of, nor guaranteed by Morgan Keegan & Company, Inc., Regions Financial Corporation or any of their affiliates.

| GENERIC AGENCY SPREADS (FNMAs) | | | | |
|--------------------------------|--------|-------|------------|-------|
| Bermuda Call | Spread | Yield | Spread Chg | Yield |
| 2YR NC 3MO | 22 | 1.16 | -1 | 1.16 |
| 2YR NC 1YR | 25 | 1.19 | 1 | 1.19 |
| 3YR NC 3MO | 56 | 1.97 | 1 | 1.97 |
| 3YR NC 6MO | 56 | 2 | 2 | 1.97 |
| 3YR NC 1YR | 49 | 0 | 0 | 1.90 |
| 3YR NC 3MO | 77 | 3.09 | 0 | 3.09 |
| 5YR NC 6MO | 78 | 0 | 0 | 3.10 |
| 5YR NC 1YR | 76 | -1 | -1 | 3.08 |
| 5YR NC 2YR | 57 | 0 | 0 | 2.89 |
| 5YR NC 3YR | 46 | 1 | 1 | 2.78 |
| 7YR NC 3MO | 81 | -4 | -4 | 3.81 |
| 7YR NC 1YR | 78 | 3.78 | -3 | 3.78 |
| 7YR NC 2YR | 59 | -3 | -3 | 3.59 |
| 10YR NC 3MO | 97 | -1 | -1 | 4.34 |
| 10YR NC 1YR | 106 | -2 | -2 | 4.43 |
| 15YR NC 3MO | 137 | -2 | -2 | 4.74 |
| 15YR NC 1YR | 169 | -3 | -3 | 5.06 |

| U.S. Dollar Spot Rate ¹ (current) | |
|--|-------|
| Unit of Currency per \$1 U.S. Dollar | |
| EUR | 0.70 |
| JPY | 93.08 |
| GBP | 0.61 |
| CHF | 1.06 |
| CAD | 1.09 |
| SEK | 7.21 |

| FED FUNDS ⁴ | |
|------------------------|-------|
| FUTURES ⁵ | |
| (current) | |
| MONTH | LAST |
| Sep09 | 0.16 |
| Oct09 | 0.165 |
| Nov09 | 0.18 |
| Dec09 | 0.18 |
| Jan10 | 0.2 |
| Feb10 | 0.275 |
| Mar10 | 0.335 |
| Apr10 | 0.405 |
| May10 | 0.545 |
| Jun10 | 0.6 |

